

Joint Standing Committee on Banking and Insurance

LD 112

An Act to Aid Enforcement of the Laws Regarding Mandatory Insurance for Motor Vehicles

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PINKHAM W	ONTP	

Current law requires that owners and operators of motor vehicles maintain automobile liability insurance or other proof of financial responsibility. LD 112 proposed to amend the motor vehicle laws regarding auto insurance to require that, in addition to the existing requirement of a 10-day notice before cancellation of a policy, insurance companies provide the Secretary of State with a 10-day notice before termination of a policy occurs by expiration. The requirement in this bill applies to policies that must be filed and certified as proof of financial responsibility with the Secretary of State under the Maine Revised Statutes, Title 29-A, section 1602. The penalties for failure to provide proof of financial responsibility within 30 days of a request include suspension of the person's license, of the registration of the vehicle for which proof of insurance was not provided and of the right to apply for a license or registration.

See related bills LD 622 and LD 836.

LD 159

An Act to Clarify the Parity Provision in Maine Banking Law

**PUBLIC 207
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON	OTP-AM	S-116

In 1996, the U.S. Supreme Court decided Barnett Bank of Marion County, N.A. v. Nelson, holding that national banks may sell insurance in the manner provided for under the National Banking Act, despite state laws to the contrary. LD 159 proposed to amend the Maine Banking Code to clarify the parity provisions to ensure that state-chartered financial institutions are permitted to engage in any and all activities that are permitted for federally chartered financial institutions, including the sale of insurance, notwithstanding any other provision of state law including, but not limited to Maine Revised Statutes, Title 24-A, section 1514-A. It also clarified that any state law preempted in its application to the powers that may be exercised by a federally chartered financial institution must be automatically preempted in its application to financial institutions authorized to do business in this State. This bill also proposed to authorize the Superintendent of Banking to adopt rules to carry out the purposes of Title 9-B, sections 416 and 828, and to ensure that all such activities engaged in by state-chartered financial institutions are carried out in a safe and sound manner and with sufficient consumer protections.

Committee Amendment "A" (S-116) proposed to clarify that preemption of state law may occur through Acts of Congress as well as through actions of federal regulatory authorities and that the superintendent may adopt rules to ensure that any powers exercised by a financial institution in this State under the parity provision are conducted in a safe and sound manner. The amendment also proposed to allow insurance agents and brokers to engage in any

insurance activity permissible for federally chartered financial institutions to the extent authorized by the Superintendent of Insurance through rulemaking.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 207 amends the parity provisions of the Maine Banking Code to allow state-chartered financial institutions to engage in any and all activities permitted for federally chartered financial institutions by federal law or regulatory action notwithstanding any other provision of state law. The law authorizes the Superintendent of Banking to adopt rules to ensure that all such activities engaged in by state-chartered financial institutions are conducted in a safe and sound manner. The law also amends the Maine Insurance Code to permit insurance agents and brokers to engage in any insurance activity permissible for federally chartered financial institutions pursuant to federal law or rule to the extent authorized by the Superintendent of Insurance.

Public Law 1997, chapter 207 was enacted as an emergency measure effective May 16, 1997.

LD 234

An Act to Extend Access to Chiropractic Care under Health Maintenance Organization Managed Care Plans

PUBLIC 99

Sponsor(s)
CAMPBELL
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
H-23

LD 234 proposed to extend the repeal date for access to chiropractor care under health maintenance organization managed care plans from March 1, 1998 to March 1, 2000. Under current law, enrollees in health maintenance organization managed care plans may self refer for chiropractic care under certain conditions.

Committee Amendment "A" (H-23) proposed to remove the repeal date of the statutory provision governing access to chiropractic care under health maintenance organization managed care plans. The amendment also proposed to require the Bureau of Insurance to submit a report to the joint standing committee of the Legislature having jurisdiction over insurance matters by January 1, 1999 on the claims experience of health maintenance organizations related to self-referrals of chiropractic care. The amendment also adds a fiscal note to the bill.

House Amendment "A" (H-70) proposed to amend the bill by removing the exception in current law that exempts all health maintenance organization contracts with the State Employee Health Insurance Program from providing self-referrals for chiropractic care. House Amendment "A" was not adopted.

Senate Amendment "A" (S-86) also proposed to amend the bill by removing the exception in current law that exempts all health maintenance organization contracts with the State Employee Health Insurance Program from providing self-referrals for chiropractic care. Senate Amendment "A" was not adopted.

Enacted law summary

Public Law 1997, chapter 99 removes the repeal date of the provisions in current law that allow self-referrals for chiropractic care by enrollees in health maintenance organization managed care plans. The law also requires the

Bureau of Insurance to conduct a study on the claims experience related to self-referrals of chiropractic care of health maintenance organization managed care plans.

LD 307 An Act to Allow Self-referral for Obstetrical Care in Managed Care CARRIED OVER Plans

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE DAGGETT		

LD 307 proposes to require all group managed care plans of insurers, nonprofit hospital and medical service organizations and health maintenance organizations to provide coverage for obstetrical care throughout a pregnancy without requiring a prior referral from the woman's primary care physician. This bill proposes to apply to all policies, contracts or certificates issued or renewed on or after January 1, 1998.

Pursuant to Title 24-A, Maine Revised Statutes, Section 2752, the Bureau of Insurance is required to conduct a review and evaluation of proposed mandated insurance benefit legislation before the proposal is enacted into law. The Joint Standing Committee on Banking and Insurance requested a review and evaluation by the Bureau and LD 307 was carried over to the Second Regular Session to allow the Bureau to complete the study.

**LD 309 An Act to Amend the Laws Governing Medical Payments Coverage ONTP
Limits on Priority Liens**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CARLETON	ONTP	

LD 309 proposed to extend the current statutory provisions governing limits on priority liens and subrogation rights related to health insurance policies to medical payments coverage in casualty insurance policies. The bill would have prohibited an insurer from reimbursing an insured for any medical payments that may be recovered from a third party as a result of a legal action except if the payments were allowed on a just and equitable basis.

See related bills LD 1288 and LD 1453.

LD 335 An Act to Prohibit Certain Activities by Insurance Adjusters PUBLIC 86

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO ABROMSON	OTP-AM	H-107

LD 335 proposed to prohibit an insurance adjuster from approaching, soliciting or offering services to a person not insured by the insurer for which the adjuster is providing services for at least 36 hours after an accident or occurrence for which the person may have a potential claim.

The bill also proposed to require that a contract between an adjuster and any person not insured by the insurer for which the adjuster is providing services contain an option provision for the rescission of the contract within two business days after the contract is signed.

Committee Amendment "A" (H-107) replaced the bill and proposed to prohibit an insurance adjuster from soliciting or offering an adjustment services contract to a person not insured by the insurer for which the adjuster is providing services for at least 36 hours after an accident or occurrence for which the person may have a potential claim. It requires that contracts between adjusters and any person not insured by the insurer for which the adjuster is providing services contain an option provision for the rescission of the contract within two business days after the contract is signed. It also adds an allocation section and a fiscal note.

Enacted law summary

Public Law 1997, chapter 86 prohibits an insurance adjuster from soliciting or offering a contract to a person not insured by the insurer that employs the adjuster for at least 36 hours after an accident or occurrence for which the person may have a potential claim. The law also requires that contracts for adjustment services contain a provision allowing rescission of the contract within two business days after the contract is signed.

LD 350

Resolve, to Establish a Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits

RESOLVE 63
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FULLER MILLS	OTP-AM	H-89 S-394 MICHAUD

LD 350 proposed to establish the Task Force on Single Claims Processing to study the feasibility of a single claims processing system for third-party payors of health care benefits. The task force shall submit its report to the Second Regular Session of the 118th Legislature.

Committee Amendment "A" (H-89) replaced the resolve and proposed to establish the Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits.

It also proposed to add an emergency preamble, an emergency clause, an appropriation section and a fiscal note to the bill.

Senate Amendment "A" to Committee Amendment "A" (S-394) proposed to change the reporting date, replace the appropriation section with an allocation section and require the Bureau of Insurance to transfer funds to the Legislature.

Enacted law summary

Resolve 1997, chapter 63 establishes the Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits. The task force consists of 15 members, including 4 Legislators, and is charged with studying the feasibility of a single claims processing system or of streamlining the current claims processing system used by third-party payors. The task force is required to submit a report to the Second Regular Session of the Legislature no later than January 1, 1998.

Resolve 1997, chapter 63 was enacted as an emergency measure effective June 12, 1997.

LD 360

**An Act to Amend the Process of Competitive Bidding for Insurance
by School Boards**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO	ONTP MAJ	
AMERO	OTP-AM MIN	

LD 360 proposed to do the following:

1. Clarify that school boards located in municipalities where the school buildings and other properties are owned by the municipality must purchase insurance through competitive bidding;
2. Remove the waiver of competitive bidding available to school boards for workers' compensation and employee benefit insurance such as life, disability and health insurance; and
3. Remove the waiver of competitive bidding available to school boards in a municipal school unit when the municipal government competitively purchases municipal and school insurance as a package.

Committee Amendment "A" (H-235) is the minority report and proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

See related bill LD 477.

LD 477

**An Act to Require that Health Insurance Benefits for School
District Employees Be Subject to the Mandatory Bid Process**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PLOWMAN	ONTP	

LD 477 proposed to remove the waiver of competitive bidding available to school boards for employee benefit insurance such as life, disability and health insurance. It requires that school boards purchase health insurance for employees through competitive bidding.

See related bill LD 360.

LD 486

An Act Prohibiting Financial Institutions from Charging Fees for Verification of Sufficient Funds

ONTP

Sponsor(s)
PINGREE

Committee Report
ONTP

Amendments Adopted

LD 486 proposed to prohibit financial institutions from charging a fee to a payee of a check for verifying whether or not there are sufficient funds in the payor's account with that financial institution.

LD 546

An Act to Ensure Responsible Coordination of Medical Care under Managed Care

PUBLIC 163

Sponsor(s)
MAYO
PARADIS

Committee Report
OTP MAJ
ONTP MIN

Amendments Adopted
S-113 LAFOUNTAIN

LD 546 proposed to prohibit a managed care plan from including a clause that allows the managed care plan to terminate the provider's contract without cause.

Senate Amendment "A" (S-113) replaced the bill. The amendment proposed to require a carrier seeking to terminate a participating provider to provide a detailed explanation of the carrier's reasons for seeking to terminate the provider and the opportunity for a review or hearing on the decision at the provider's request. This requirement does not apply to termination cases involving imminent harm to patient care, a final determination of fraud by a governmental agency or a final disciplinary action that impairs the provider's ability to practice. A hearing panel of at least three persons, including one clinical peer of the provider, must review a proposed action to terminate a provider and provide a written decision to the provider.

Enacted law summary

Public Law 1997, chapter 163 requires health carriers to provide a detailed explanation to the provider of the carrier's reasons for seeking to terminate a participating provider and to give the provider an opportunity for a review or hearing on the carrier's decision at the provider's request. The requirement does not apply when termination occurs after a final determination of fraud by a governmental agency or a final disciplinary action that impairs a provider's ability to practice or in cases involving imminent harm to patient care.

LD 548

An Act Concerning Service Relating to the Disclosure of Financial Records

PUBLIC 16

Sponsor(s)
JONES SL

Committee Report
OTP

Amendments Adopted

LD 548 proposed to authorize the District Attorney, in addition to the Attorney General, to advise the court to delay or dispense with service of a subpoena, summons, warrant or order requesting disclosure of financial records if

service to the customer would not be in the public interest. The bill also proposed to remove the requirement that the customer be served when the disclosure is sought in connection with a criminal proceeding.

Enacted law summary

Public Law 1997, chapter 16 authorizes district attorneys to advise the court to delay or dispense with requiring service of a subpoena, summons, warrant or order requesting disclosure of financial records if service to the customer would not be in the public interest. The law also removes the requirement that the customer be served notice when the disclosure is sought in connection with a criminal proceeding.

**LD 552 An Act to Prohibit Rebates and Other Incentives Pertaining to ONTP
Insurance Claims**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JONES SA	ONTP MAJ OTP-AM MIN	

LD 552 proposed to prohibit a motor vehicle repair facility from refunding a deductible to be paid by insured customers or providing rebates or other incentives to insured customers or other persons as an incentive to have a repair made at the repair facility with respect to repairs paid for in whole or in part by insurance companies.

Committee Amendment "A" (H-92) is the minority report of the committee and replaced the bill. It proposed to narrow the provision to apply only to motor vehicle glass repairs and prohibits a motor vehicle glass repair facility from refunding a deductible or any part of a deductible to be paid by insured customers or other persons as an incentive to have a motor vehicle glass repair made at the repair facility.

The amendment also adds a fiscal note. Committee Amendment "A" was not adopted.

**LD 561 An Act to Provide the Maine Turnpike Authority with PUBLIC 77
Representation on the State Employee Health Commission EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'GARA	OTP-AM	S-54

LD 561 proposed to add representation on the State Employee Health Commission to labor and management of the Maine Turnpike Authority. The commission determines the Authority's health benefits and plan costs for its employees.

Committee Amendment "A" (S-54) proposed to correct a technical error and add an emergency preamble, an emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 77 adds one labor member and one management member representing the Maine Turnpike Authority to the State Employee Health Commission.

LD 585 An Act to Protect the Confidentiality of Social Security Numbers ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE NUTTING	ONTP	

LD 585 proposed to prohibit businesses from using a customer's social security number on correspondence.

LD 602 An Act to Clarify Requirements for a Credit Union Applying to Expand Its Field of Membership ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KIEFFER	ONTP MAJ OTP MIN	

LD 602 proposed to require a credit union applying for an expansion of its field of membership to show that the requested expansion satisfies the defined fields of membership within the law.

LD 622 An Act to Deter Automobile Owners from Canceling their Insurance and to Require Notification of Cancellation ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY MCALEVEY	ONTP	

Current law requires that owners and operators of motor vehicles maintain automobile liability insurance or other proof of financial responsibility. LD 622 proposed to amend the motor vehicle laws regarding auto insurance to require that, in addition to the existing requirement of a 10-day notice before cancellation of a policy, insurance companies provide the Secretary of State with a 10-day notice before termination of a policy occurs by expiration. The requirement in this bill applies to policies that must be filed and certified as proof of financial responsibility with the Secretary of State under the Maine Revised Statutes, Title 29-A, section 1602. The penalties for failure to provide proof of financial responsibility within 30 days of a request include suspension of the person's license, of the registration of the vehicle for which proof of insurance was not provided and of the right to apply for a license or registration. An insurance company that fails to provide the required notice is subject to a civil forfeiture of \$1,000.

See related bills LD 112 and LD 836.

Sponsor(s)
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
S-12

The Maine Consumer Credit Code currently excludes first mortgage residential financing from rate ceilings and other substantive limitations. That exclusion does not extend to open-end loans where advances are made more than 30 days after closing. Federal secondary market agencies are now offering special open-end financing programs for elderly residents who wish to "unlock" their home equity but not be required to make any payments unless and until they sell the residence or die. These are known as "reverse mortgages" or "reverse annuity mortgages" under which an elderly person may receive monthly payments for life, remain at home and have no liability except for the value of the home. Maine's truth-in-lending laws have already been amended to permit these loans. This bill eliminates the sole remaining obstacle to the offering of these programs in Maine by amending the Maine Consumer Credit Code to treat reverse mortgages under the same rules as all other first mortgage programs, thereby allowing the new programs to be offered to Maine's elderly.

Committee Amendment "A" (S-12) proposed to add an emergency preamble, an emergency clause and a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 64 amends the Maine Consumer Credit Code to require the treatment of reverse mortgages under the same provisions and rules as first mortgages. The law allows the sale of reverse mortgages in the state.

Public Law 1997, chapter 64 was enacted as an emergency measure effective March 28, 1997.

Sponsor(s)
KIEFFER

Committee Report
ONTP

Amendments Adopted

LD 668 proposed to increase the minimum limits of insurance needed to operate a motor vehicle. The bill also proposed to require that insurance for medical payments be obtained.

The amendments to current law proposed by LD 668 were incorporated into LD 180, "An Act to Amend the Motor Vehicle Laws Regarding Proof of Financial Responsibility and to Increase the Required Minimum Amounts of Liability Insurance Coverage," through the adoption of House Amendment "A" (H-258). LD 180 was referred to the Joint Standing Committee on Transportation and enacted as Public Law 1997, chapter 176.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KIEFFER HALL	ONTP	

LD 676 proposed to require that any future mandated health care benefit legislation receive a two-thirds vote in both chambers of the Legislature to be enacted.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KIEFFER	ONTP	

LD 681 proposed to authorize basic care medical plans to provide health insurance with high deductibles and levels of coinsurance. The plans may be purchased by persons who are unemployed, self-employed or employed and unable to purchase insurance. The plans cover hospitalization, prenatal, postnatal and new baby care, surgery, emergency and outpatient care. The plans are exempt from all state mandates of health care services and reimbursement and utilization of providers. The plans are renewable except for specified situations including nonpayment of premium, fraud and withdrawal from the market. The carriers that offer basic care medical plans are authorized to form a pool to distribute the risk of providing coverage to the insureds.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO CAREY	OTP-AM	H-147

LD 710 proposed to amend the limit on consumer loans that are subject to certain consumer disclosures.

Committee Amendment "A" (H-147) replaced the bill and proposed to provide the protection of the Maine Consumer Credit Code to motor vehicle credit sales in which the amount financed is between \$25,000 and \$35,000.

The amendment also corrects a spelling error and adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 122 extends the protection of the Maine Consumer Credit Code to motor vehicle credit sales in which the amount financed is between \$25,000 and \$35,000. Under current law, the Code only applies to consumer credit sales in amounts under \$25,000.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SKOGLUND	ONTP	

LD 716 proposed to require insurers to disclose the names of its five highest-paid executives or officers, the state of their residence, their salaries and benefit packages and the profits of the company at the time insureds are billed for an insurance policy or contract.

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO ABROMSON	OTP-AM	H-105 MAYO H-90

LD 745 proposed to remove the limits on late fees that retailers may charge customers to whom they extend credit. The bill also proposed to allow creditors to charge a single late fee when they change late fees on all future payments that are due, rather than having to charge the old fee for past due payments and the newer fee for new balances.

Committee Amendment "A" (H-90) proposed to strike section 2 of the bill and insert a new section that authorizes the refinancing of the balloon payment portion of a consumer loan if the transaction is made for a term of not less than four years and if the contract evidencing the obligation gives the consumer the right to refinance the final payment on terms then offered by the creditor if the consumer satisfies reasonable credit standards and the property satisfies reasonable loan to value standards. It also adds a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-105) proposed to change a reference from "borrower" to "consumer."

Enacted law summary

Public Law 1997, chapter 94 removes the limits on late fees that retailers may charge customers to whom the retailers extend credit and allows creditors to charge a single late fee when they charge late fees on all future payments that are due, rather than having to charge the old fee for past due payments and the newer fee for balances. The law also authorizes the refinancing of the balloon payment portion of a consumer loan if the transaction is made for a term of not less than four years and if the contract evidencing the obligation gives the consumer the right to refinance the final payment on terms then offered by the creditor if the consumer satisfies reasonable credit standards and the property satisfies reasonable loan to value standards.

LD 766

**An Act to Provide Options under Managed Care Plans for
Counseling by a Primary Care Physician**

ONTP

Sponsor(s)
CHARTRAND
KILKELLY

Committee Report
ONTP

Amendments Adopted

LD 766 proposed to allow primary care physicians to provide office-based mental health services to enrollees in managed care plans if the enrollee chooses to receive counseling from the primary care physician. The bill also proposed to require the managed care plan to reimburse a primary care physician for mental health services at the same level of reimbursement as a mental health provider credentialed by the managed care plan.

LD 785

An Act to Require Certain Practices by Managed Care Plans

ONTP

Sponsor(s)
AHEARNE

Committee Report
ONTP

Amendments Adopted

LD 785 proposed to require managed care plan policies and contracts offered by nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide in-patient hospital coverage following mastectomy surgery.

The bill also proposed to prohibit nonprofit hospital and medical service organizations, insurers and health maintenance organizations offering managed care plans from providing payments or other financial incentives to participating providers for not referring patients to specialists and for not disclosing the seriousness of a patient's condition.

See related bill LD 1556.

LD 806

**An Act to Include Health Maintenance Organizations in the Bureau
of Insurance's Regulatory Assessment**

PUBLIC 79

Sponsor(s)
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
S-55

LD 806 proposed to apply the current assessment for the regulatory expenses of the Maine Bureau of Insurance upon insurance companies to health maintenance organizations as well. The current assessment on insurers will not be increased, but will be apportioned equitably between insurance companies and health maintenance organizations.

Committee Amendment "A" (S-55) proposed to clarify that the direct gross premium from the health maintenance organization division or line of business of a nonprofit hospital, medical or health care service organization is not included in the assessment base used in calculating the assessment upon a nonprofit hospital, medical or health care service organization for the expenses of maintaining the Bureau of Insurance.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 79 requires health maintenance organizations to pay an assessment for the regulatory expenses of maintaining the Maine Bureau of Insurance.

LD 808

An Act to Amend the Laws Governing Banking Institutions

PUBLIC 22

Sponsor(s)
LAFOUNTAIN
CARLETON

Committee Report
OTP

Amendments Adopted

LD 808 proposed to do the following:

1. Expand the definition of activities that may be performed by a service corporation to include those activities permitted for service corporations owned by national banks;
2. Eliminate the application requirement for establishing, closing or relocating a satellite facility and replace it with a notification requirement;
3. Permit the Superintendent of the Bureau of Banking to expedite the conversion of a federally chartered financial institution to state charter if the superintendent considers it necessary for the protection of depositors, shareholders or the public. This provision is consistent with expedited authorities for mergers, acquisitions and other conversion transactions;
4. Change the provisions for the acquisition of a stock institution by a mutual institution;
5. Eliminate references to shareholders in the subordination of claims from the issuance of capital notes or debentures;
6. Change the current application process for most service corporations and subsidiaries to a notice process with no formal approval, which is similar to the process provided under federal law;
7. Change the provisions relating to insider lending to more closely track federal regulation of this area;
8. Repeal language that prohibits a bank director, officer or employee from engaging in the business of selling securities;
9. Repeal outdated requirements in thrift deposit-taking law regarding the payment of interest or dividends on deposit; and
10. Make consistent the process for annual review of lines of credit for banks and thrift institutions.

Enacted law summary

Public Law 1997, chapter 22 makes technical changes to modernize and update the Maine Banking Code. The law streamlines and reduces the regulatory requirements with respect to certain applications filed with the Bureau of

Banking. It amends the provisions related to insider lending to more closely track federal regulations. The law also repeals outdated provisions related to payment of interest on deposits by savings banks and savings and loan associations and to outside business interests of bank directors, officers or employees.

LD 822 **An Act to Grant Visually Impaired Operators of Government Vending Facilities Access to State Health Insurance at Their Own Expense** **PUBLIC 80**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	OTP-AM	S-56

LD 822 proposed to authorize the purchase of health insurance through the state employee health insurance program by blind and visually impaired vending facility managers participating in a state program administered by the Division for the Blind and Visually Impaired.

Committee Amendment "A" (S-56) proposed to correct an error in the bill and reflect that the Division for the Blind and Visually Impaired is located in the Department of Labor.

The amendment also adds a fiscal note.

Enacted law summary

Public Law 1997, chapter 80 authorizes the participation of blind and visually impaired vending facility managers at their own expense in the state employee health insurance program.

LD 828 **An Act to Require Public Insurers to Supply Insurance Data to Schools and Municipalities** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHANNON	ONTP MAJ	
JENKINS	OTP-AM MIN	

LD 828 proposed to allow school administrative units to engage in competitive bidding by ensuring that school administrative units have access to their own experience ratings and claims history. This bill proposed to require that insurers provide such information to school administrative units at their request, regardless of the identity of the insurers' official clients, and to the municipalities in which the school unit is located if the municipality so requests.

Committee Amendment "A" (H-272) is the minority report and replaced the bill. It proposed to clarify that nonprofit hospital and medical service organizations, insurers and health maintenance organizations are required to provide school administrative units with information concerning their own experience ratings and claims history as members covered under a group policy or contract at the unit's request and to the municipalities in which the school unit is located at the municipality's request. Committee Amendment "A" was not adopted.

LD 836**An Act Concerning the Lapse of Automobile Insurance****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY D	ONTP	

Current law requires that owners and operators of motor vehicles maintain automobile liability insurance or other proof of financial responsibility. LD 836 proposed to amend the motor vehicle laws regarding auto insurance to require that, in addition to the existing requirement of a 10-day notice before cancellation of a policy, insurance companies provide the Secretary of State with a 10-day notice before termination of a policy occurs by expiration. The requirement in this bill applies to policies that must be filed and certified as proof of financial responsibility with the Secretary of State under the Maine Revised Statutes, Title 29-A, section 1602. The penalties for failure to provide proof of financial responsibility within 30 days of a request include suspension of the person's license, of the registration of the vehicle for which proof of insurance was not provided and of the right to apply for a license or registration.

See related bills LD 112 and LD 622.

LD 839**An Act to Ensure Reasonable Access to Emergency Medical Services****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIEH KILKELLY	ONTP	

LD 839 proposed to prohibit health carriers from requiring prior authorization for emergency medical services.

LD 843**An Act to Regulate Money Transmitters and Amend Consumer Credit Laws****PUBLIC 155**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE MAYO	OTP-AM	H-203 H-213 CAMERON

LD 843 proposed to do the following.

Title IV of the federal Reigle Community Development Act, titled the "Money Laundering Suppression Act of 1994," calls upon states to adopt uniform laws for licensing and regulating money transmitters and money order issuers. The language in Part A is adopted from a model money transmitter law developed jointly by the Money Transmitter Regulators Association and the money transmitter industry. It is designed to protect consumers by ensuring the solvency of money transmitters and money order issuers.

Title IV of the federal Reigle Community Development Act calls upon states to adopt uniform laws for licensing and regulating check cashers and currency exchangers, "for purposes of preventing money laundering and

protecting the payment system from fraud and abuse." Following the lead of most other states, this bill requires the registration of those businesses and ensures appropriate disclosures of costs to consumers.

The omnibus budget bill signed by the President on September 30, 1996 contained major revisions to the Federal Fair Credit Reporting Act upon which Maine's credit reporting laws are based. The language in Part B is derived from language in the new federal law. Incorporating the changes into Maine law will assist businesses that operate across state lines, because the requirements will be consistent among states. Enacting the changes will also bring several consumer protections adopted by Congress to Maine citizens, including the right of poor or unemployed individuals to obtain a copy of their credit report without charge.

The omnibus budget bill passed by Congress on September 30, 1996 contained several amendments to the federal Truth-in-Lending Act. The State maintains an exemption to the federal Truth-in-Lending Act by incorporating federal changes into state law. This provides consistency for Maine businesses, but also allows responsiveness on a state level to consumer issues. The language in Part C is derived exactly from that adopted at the federal level.

The federal budget bill enacted by Congress on September 30, 1996 contained an important clarification of the Federal Fair Debt Collection Practices Act upon which Maine collection law is based. The federal law provides regulatory relief to attorneys and debt collectors concerning the technical written notices that must be contained in each collection letter, and clarifies a related notice issue that has led to expensive litigation in other parts of the country. Part D clarifies Maine law on this issue.

Part E clarifies that a pawnbroker must have physical possession of the substantive collateral in order to effect a pawn transaction.

Committee Amendment "A" (H-203) proposed to add statutory provisions that conform Maine's credit reporting laws to revisions in the federal Fair Credit Reporting Act.

The amendment proposed to clarify the distribution of volume fees within the Department of Professional and Financial Regulation between the Office of Consumer Credit Regulation and Bureau of Banking with respect to consumer credit transactions that are originated by supervised lenders subject to regulation by the Office of Consumer Credit Regulation and subsequently assigned to financial institutions subject to regulation by the Bureau of Banking.

The amendment also makes some technical changes and corrections and adds an allocation section and a fiscal note to the bill.

House Amendment "A" (H-213) was presented on behalf of the Committee on Bills in the Second Reading to correct an amending clause and to enact an effective date provision to effectuate the intent to repeal the Maine Revised Statutes, Title 32, chapter 13, subchapter VI effective January 1, 1998.

Enacted law summary

Public Law 1997, chapter 155 enacts provisions requiring the licensing and regulation of money transmitters and money order issuers doing business in the State and requiring the registration and regulation of check cashers and currency exchangers doing business in the State. These provisions are Maine's response to federal law requirements in Title IV of the Reigle Community Development Act.

The law conforms Maine's fair credit reporting, truth-in-lending and fair debt collections laws with recent changes in federal law.

Public Law 1997, chapter 155 also clarifies that a pawnbroker must have physical possession of the substantive collateral to effectuate a pawn transaction.

LD 889

An Act to Ensure Fair Claims Settlement Practices

CARRIED OVER

Sponsor(s)
LAFOUNTAIN

Committee Report

Amendments Adopted

LD 889 proposes to expand the list of the types of unfair claims settlement practices by an insurer for which recovery may be made by an individual in a private cause of action.

The bill was carried over to the Second Regular Session along with a related bill, LD 1783.

LD 900

An Act Regarding the Decision by an Insurance Carrier Whether to Cover Certain Services

ONTP

Sponsor(s)
MAILHOT
NUTTING

Committee Report
ONTP

Amendments Adopted

LD 900 proposed to require carriers offering health plans in this State to employ persons licensed or otherwise qualified in particular areas to perform medical review or utilization review for the health plan in those areas in which the persons are licensed or qualified to make decisions about the provision of health care services to health plan enrollees.

LD 902

An Act Requiring Notice to Homeowners' Insurance Policyholders when an Insurer Ceases to Transact Business with an Agent

ONTP

Sponsor(s)
BAKER J
FERGUSON

Committee Report
ONTP

Amendments Adopted

LD 902 proposed to require an insurer to notify homeowners' insurance policyholders when the insurer ceases to do business through an agent or broker.

LD 911**An Act to Define the Diagnosis of Pregnancy for the Purposes of Insurance Coverage****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO GOLDTHWAIT	ONTP	

LD 911 proposed to define the existence of a pregnancy as the time when a women misses her last normal menstrual period for the purposes of determining when pregnancy exists as it relates to the application of a preexisting condition exclusion under an insurance policy. Under current practice, insurers define the existence of a pregnancy as the date of conception. However, pregnancy is medically diagnosed at the time a woman presents symptoms, namely a missed menstrual period. This bill proposed to define pregnancy as existing on the date when it is medically diagnosable.

LD 922**An Act to Require Disclosure to Consumers about the Availability of Private Insurance Adjusters****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COWGER TREAT	ONTP	

LD 922 proposed to require insurers to notify persons filing claims that they may use the services of an independent adjuster for a fee.

LD 933**Resolve, to Establish a Commission to Study Insurance Fraud****RESOLVE 77
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PEAVEY LAFOUNTAIN	OTP-AM	H-238 S-357 MICHAUD

LD 933 proposed to establish the Commission to Study Insurance Fraud. The commission shall report its findings and any recommended legislation to the joint standing committee having jurisdiction over banking and insurance matters and to the Executive Director of the Legislative Council.

Committee Amendment "A" (H-238) replaced the resolve and proposed to make the following changes from the original bill:

1. Add representatives from the Office of the State Fire Marshal, the Medicaid fraud unit of the Department of Human Services, the private bar, hospitals and health care providers to the commission and clarify that the Governor appoints the commission members who are not Legislators;
2. Reduce the legislative membership from three to two members;

3. Clarify the issues that the commission must study;
4. Require that only legislative members of the commission are entitled to legislative per diem and reimbursement for travel and other necessary expenses;
5. Change the reporting date from December 1, 1998 to March 1, 1998;
6. Add an emergency preamble and emergency clause to the resolve; and
7. Add an appropriation section and a fiscal note to the resolve.

Senate Amendment "A" to Committee Amendment "A" (S-357) proposed to change the reporting date from March 1, 1998 to January 1, 1998, specify the number of commission meetings and revise the appropriation section.

Enacted law summary

Resolve 1997, chapter 77 establishes the Commission to Study Insurance Fraud. The commission consists of 12 members, including representatives of the insurance industry, the Office of the State Fire Marshal, the State's Medicaid fraud unit and health care providers, and Legislators. The commission is charged with studying the issue of insurance fraud in the State and developing recommendations to strengthen the State's laws governing insurance fraud.

Resolve 1997, chapter 77 was enacted as an emergency measure effective June 12, 1997.

LD 969

An Act to Authorize the Issuance of a Credit Card to Benefit the Scholarships for Maine Fund

PUBLIC 97

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIDSON	OTP-AM MAJ	H-100 DAVIDSON
ABROMSON	ONTP MIN	H-93

LD 969 proposed to authorize the Finance Authority of Maine to enter into an agreement for a sponsored credit card with a financial institution or a credit union authorized to do business in the State. The purpose of the credit card is to provide voluntary funding for the Scholarships for Maine Fund from which grants are made to students who evidence financial need when attending an accredited postsecondary education program. The bill also proposed to update the list of the higher education assistance programs the Finance Authority of Maine is authorized to administer.

Committee Amendment "A" (H-93) proposed to expand the types of entities that the Finance Authority of Maine may contract with to issue a credit card to benefit the Scholarships for Maine Fund to include credit card issuers.

The amendment also adds a fiscal note to the bill.

House Amendment "A" (H-100) proposed to correct two cross-references.

Enacted law summary

Public Law 1997, chapter 97 authorizes the Finance Authority of Maine to enter into an agreement with a financial institution, a credit union or other credit card issuer to sponsor a credit card to provide voluntary funding for the Scholarships for Maine Fund. The Fund provides grants to financially needy students pursuing a postsecondary education.

LD 980

An Act to Amend Provisions Applicable to Property Casualty Insurers and Reporting Requirements to the Bureau of Insurance

PUBLIC 126

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIDSON	OTP-AM	H-148

LD 980 proposed to do the following.

Sections 1 and 2 eliminate the requirement that insurers providing medical professional liability insurance report claims and information on the disposition of claims to the Attorney General.

Sections 3, 6, 10 and 11 reduce the reporting requirement for workers' compensation self-insurers to one report from two by eliminating the requirement that each individual self-insurer and group self-insurer report aggregate benefits paid and the annual standard premium to the Maine Self-Insurance Guarantee Association. This data would be filed with the Bureau of Insurance and the bureau would be responsible for its distribution to the Maine Department of Labor, Workers' Compensation Board and Maine Self-Insurance Guarantee Association.

Section 4 clarifies that forms filed with the bureau become public when effective, or if no effective date is provided, the forms become public when approved.

Section 5 clarifies that notice and mailing time requirements apply to the cancellation of casualty insurance policies that are in effect for 60 days or less.

Sections 7, 8 and 9 authorize the State or the University of Maine System to post security at the level of \$50,000 under the public employer provisions of the self-insurance laws. Those sections clarify that the valuation, net worth and bond rating tests apply only to municipalities and counties.

Committee Amendment "A" (H-148) proposed to allow workers' compensation self-insurers to report payrolls by class and experience modification factors for each calendar year to the Superintendent of Insurance instead of requiring the reporting of annual standard premium. Under the amendment, the superintendent determines annual standard premium based on the report filed by the self-insurer.

The amendment proposed to change the date required for submission of information to the Maine Self-Insurance Guarantee Association to May 15th and remove the amendment to Maine Revised Statutes, Title 24-A, section 237.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 126 does the following.

1. It eliminates the requirement that medical malpractice insurers report claims and information on the disposition of claims to the Attorney General.
2. It reduces the reporting requirements for workers' compensation self-insurers and requires the Bureau of Insurance to report data on the aggregate benefits paid and annual standard premium of individual and group self-insurers to the Department of Labor, Workers' Compensation Board and Maine Self-Insurance Guarantee Association.
3. It clarifies that forms filed with the Bureau of Insurance become public when effective, or if no effective date is provided, the forms become public when approved.
4. It clarifies that notice and mailing time requirements apply to the cancellation of casualty insurance policies that are in effect for 60 days or less.
5. It authorizes the State or the University of Maine System to post bond security at the level of \$50,000 under the public employer provisions of the self-insurance laws.

LD 981

An Act to Amend the Revised Maine Securities Act

PUBLIC 168

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL ABROMSON	OTP-AM	H-212

The principal purpose of this bill is to incorporate into the Revised Maine Securities Act, referred to in this summary as the "Act," changes mandated by Congress in the National Securities Markets Improvement Act of 1996, referred to in this summary as "NSMIA." The NSMIA preempts the states from exercising regulatory authority over certain aspects of the securities business, but also enhances the state role in regulating investment advisers. For purposes of promoting uniformity among the states, LD 981, to the extent practical, tracks language recommended by the North American Securities Administrators Association, the organization of state and Canadian provincial securities regulators.

With respect to sales representatives of licensed broker-dealers, NSMIA preempts a state from requiring their licensing when they engage only in transactions for existing customers who are temporarily in Maine or recently moved here. The bill proposed to implement this change at the state level by creating a licensing exemption for these transactions.

In the investment adviser area, the major impact of NSMIA is to give states the exclusive authority to license investment advisers with less than \$25,000,000 under management and to give the United States Securities and Exchange Commission exclusive licensing authority over the larger advisers. To implement that change, the bill proposed to amend the Act to create a licensing exemption for the larger advisers. Consistent with NSMIA, the bill proposed to impose a notice filing and fee requirement on the larger advisers, with the fee being the same as they currently pay for licensing.

While preempting the licensing of larger advisers, NSMIA allows a state to impose qualifications on these advisers' representatives who have a place of business in the State. Accordingly, the bill proposed to amend the Act to allow the securities administrator to continue to impose on these individuals the currently existing examination requirements.

NSMIA limits the authority of the states to impose net capital, record keeping and fidelity bond requirements on broker-dealers and investment advisers, and the bill includes in the Act references to those limits.

Regarding the registration of securities, NSMIA preempts the states from requiring the registration of what it terms "covered securities," the most significant of which are mutual funds. NSMIA allows states to receive notice filings for these offerings, and since NSMIA is designed to be revenue neutral, it also allows for the assessment of filing fees. The bill proposed to conform state law to the dictates of NSMIA by creating the necessary registration exemptions and, where appropriate, replacing the registration requirement with a notice filing requirement. It also replaces the registration fees with notice fees of the same amount so that there should be no financial impact either on securities issuers or on the State.

The bill also proposed to make miscellaneous changes unrelated to the enactment of NSMIA.

First, the Maine Revised Statutes, Title 32, section 10312, subsection 2 is amended to allow the administrator to require a licensee to produce documents, whether or not the request is in connection with an on-site examination.

Second, Title 32, section 10501, subsection 18 is amended by eliminating from the definition of "security," "documents of title to and certificates of interest in the title to or any profits or earnings from land or other property situated outside of the State." Unlike the securities laws of other states, Maine's statute includes title to or profits or earnings from land situated outside of the State in the definition of "security."

Third, Title 32, section 10502, subsection 2, paragraph L is amended by eliminating the filing requirement when no commission is paid to solicit security holders in Maine and extending the exemption to issuers who pay a commission to solicit security holders in Maine. This change conforms Maine's statute to the securities laws of other states.

Fourth, Title 32, section 10502, subsection 2, paragraph N is amended by eliminating the requirement to file a notice with the administrator.

Fifth, the change to Title 32, section 10602, subsection 1, paragraph B allows the administrator to censure a broker dealer, sales representative or investment advisor for a violation of the Act even if that person is not licensed in Maine.

Sixth, Title 32, section 10707, subsection 6 is amended to make clear that the administrator has jurisdiction over securities offered to Maine residents over the Internet, an area of increasing concern in light of the growth of the electronic fraud. This change also conforms Maine law to the law of most other states.

Committee Amendment "A" (H-212) proposed to make technical changes and clarifications and add a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 168 amends the Revised Maine Securities Act to incorporate the changes mandated by Congress in the National Securities Markets Improvement Act of 1996. While the federal law preempted states from regulating certain aspects of the security's industry, it also enhanced the state role in regulating investment advisers. Public Law 1997, chapter 168 makes the necessary changes to state law to conform with the changes in federal law. The law also makes other changes to the Revised Maine Securities Act to update the act and conform the act to the securities laws in other states.

LD 1000 An Act to Ensure Choice of Physicians in Managed Care Programs ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LEMAIRE	ONTP	

LD 1000 proposed to require a nonprofit hospital and medical service organization and a nonprofit health care plan to permit any licensed health care provider that agrees to the terms of a managed care plan to become a participating provider in the plan.

LD 1016 An Act to Amend the Laws Pertaining to Infant Formulas ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOLDTHWAIT	ONTP	

LD 1016 proposed to expand the requirement that all individual and group insurance policies and contracts provide coverage for metabolic formula and medical food for inborn errors of metabolism to include coverage for infant formula prescribed for persons with protein intolerance.

The bill proposed to apply to policies and contracts in effect on or after January 1, 1998.

LD 1022 An Act to Promote Investments in Maine through the Establishment of Merchant Banking Organizations PUBLIC 66 EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE KONTOS	OTP-AM	S-57

Present law does not allow Maine banks, whether depository or nondepository institutions, to provide merchant banking financing, including capital, to businesses and entrepreneurs. LD 1022 proposed to amend the Maine Banking Code to authorize the establishment of merchant banks, formed as nondepository trust companies with high initial capitalization and high ongoing capitalization requirements to ensure the safety and soundness of the institution. Merchant banks would not be authorized to accept deposits, and therefore would not put depositors'

funds at risk, but they would nevertheless be supervised by the Superintendent of Banking and generally subject to the normal reporting, examination and enforcement provisions of the Maine Banking Code that apply to all Maine financial institutions.

Committee Amendment "A" (S-57) proposed to add a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 66 authorizes the establishment of merchant banks under the Maine Banking Code. Merchant banks are required to have high initial capitalization and high ongoing capitalization requirements to ensure the safety and soundness of the institution. Merchant banks are not allowed to accept deposits. Generally, merchant banks are supervised by the Bureau of Banking and subject to the reporting, examination and enforcement provisions that apply to all Maine financial institutions.

Public Law 1997, chapter 66 was enacted as an emergency measure effective April 8, 1997.

LD 1040

An Act Directing the Bureau of Insurance to Develop Standards of Conduct for Insurance Adjusters

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COWGER TREAT	ONTP	

LD 1040 proposed to require the Superintendent of Insurance to adopt rules establishing standards of conduct for insurance adjusters.

LD 1052

Resolve, Establishing a Task Force to Examine the Desirability of a Model Municipal Building Code

RESOLVE 24

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KONTOS PARADIS	OTP-AM	H-91 S-153 PARADIS

LD 1052 proposed to create a task force to study and advise the Governor and Legislature on the desirability and feasibility of developing a model municipal building code. The use by Maine municipalities of an adequately administered model code that fosters sound construction practices has the potential to reduce the price homeowners and businesses must pay for property and casualty insurance, such as homeowners' insurance. Community rating systems used by private insurance carriers that assess the effectiveness of municipal building codes and their administration are a factor in determining the price for property and casualty insurance in a given town or city.

Committee Amendment "A" (H-91) proposed to add representatives from the Consulting Engineers of Maine and the Home Builders Association of Maine to the task force.

The amendment also adds a fiscal note to the resolve.

Senate Amendment "A" (S-153) proposed to remove the emergency preamble and the emergency clause from the resolve and change the reporting date from September 15, 1997 to January 15, 1998.

Enacted law summary

Resolve 1997, chapter 24 establishes the Task Force to Examine the Desirability of a Model Municipal Building Code.

LD 1060 An Act to Provide Health Insurance Coverage for Prostate Cancer Screening DIED BETWEEN BODIES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSON MAYO	ONTP MAJ OTP-AM MIN	

LD 1060 proposed to require all individual and group contracts of nonprofit hospital, medical service and health care service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older; to African-American men 45 years of age or older; and to men 40 years of age or older with a family history of prostate cancer. The bill applies to all policies and contracts in effect on or after January 1, 1998.

Committee Amendment "A" (S-274) is the minority report and proposed to require all individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations to provide insurance coverage for prostate cancer screening. Coverage for prostate cancer screening must be provided annually to men 50 years of age or older until a man reaches the age of 72 if the procedures are recommended by a physician. The amendment applies to all policies and contracts in effect on or after January 1, 1998.

The amendment also proposed to add an appropriation and allocation section and a fiscal note to the bill. Committee Amendment "A" was adopted in the Senate, but was not adopted in the House.

House Amendment "A" to Committee Amendment "A" (H-603) proposed to add an exception to the requirement that health insurance contracts provide coverage for prostate cancer screening for accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care and other limited benefit health insurance policies and contracts. House Amendment "A" to Committee Amendment "A" was not adopted.

LD 1061 An Act to Authorize State-chartered Community Development Credit Unions PUBLIC 108

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TREAT BROOKS	OTP-AM	S-69

LD 1061 proposed to authorize the designation of community development credit unions under a state charter approved by the Superintendent of Banking. Community development credit unions are organized for the purposes

of promoting community development and providing lending and investment services to a membership of predominantly low-income individuals. The bill allows community development credit unions to accept shares from nonmembers and to receive financial and technical assistance from the National Credit Union Administration's Community Development Credit Union Revolving Loan Fund.

Committee Amendment "A" (S-69) proposed to change the definition of “low-income”, require that the Superintendent of Banking notify a community development credit union when the community development designation is removed and authorize community development credit unions to accept deposit accounts of a type approved by the Superintendent from nonmembers in addition to the acceptance of shares from nonmembers.

It also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 108 authorizes the designation of community development credit unions under a state charter approved by the Superintendent of Banking. Community development credit unions are organized for the purposes of promoting community development and providing lending and investment services to a membership of predominantly low-income individuals. The law allows community development credit unions to accept shares, or deposit accounts of an approved type, from nonmembers and to receive financial and technical assistance from the National Credit Union Administration’s Community Development Credit Union Revolving Loan Fund.

LD 1082

An Act to Ensure Fair Pricing for Consumers of Health Care Services under Managed Care Plans

PUBLIC 197

Sponsor(s)
MITCHELL J
MILLS

Committee Report
OTP-AM

Amendments Adopted
H-236

LD 1082 proposed to require that, if insurers, health maintenance organizations and nonprofit hospital, medical and health care service organizations offering managed care plans calculate any copayment or deductible in percentage terms, that copayment or deductible must be based on the disclosed actual cost of the service to the carrier.

Committee Amendment "A" (H-236) proposed to replace the bill and expand the scope of the original bill to include all types of health care policies and plans subject to state regulation. It replaces the term "disclosed actual cost" with "net negotiated cost" and clarifies that net negotiated costs for any plans involving risk-sharing compensation arrangements be calculated at the time services are rendered on the basis of reasonably anticipated compensation levels and are not subject to retrospective adjustment at final settlement.

Enacted law summary

Public Law 1997, chapter 197 requires all insurers, health maintenance organization and nonprofit hospital and medical service organization contracts with respect to which the insurer or organization has negotiated discounts with providers to calculate all covered benefits, including all coinsurance, deductibles and lifetime maximum benefits, on the basis of the net negotiated cost and to reflect any discounts or differentials from charges otherwise applicable to the services provided. The law also clarifies that net negotiated costs for any plans involving risk-sharing compensation arrangements be calculated at the time services are rendered on the basis of reasonably anticipated compensation levels and are not subject to retrospective adjustment at final settlement.

LD 1103**An Act to Apply Risk-based Capital Standards to Insurers****PUBLIC 81**

Sponsor(s)
CARLETON

Committee Report
OTP

Amendments Adopted

LD 1103 proposed to require property and casualty insurers doing business in this State to meet certain risk-based capital standards. Similar standards have been applicable to life and health insurers for several years. The standards are based on National Association of Insurance Commissioners model legislation as part of the nationwide insurance regulatory agency accreditation effort.

Enacted law summary

Public Law 1997, chapter 81 requires property and casualty insurers licensed to do business in the State to meet certain risk-based capital standards based on National Association of Insurance Commissioners model legislation.

LD 1119**An Act to Provide for International Banking in the State and Enhanced Enforcement Authority over Financial Institution Holding Companies****PUBLIC 182**

Sponsor(s)
KIEFFER
DAVIDSON

Committee Report
OTP-AM

Amendments Adopted
S-120
S-143 MURRAY

Governor Angus S. King, Jr., established by Executive Order dated August 2, 1995 the Maine Task Force on Interstate Banking and Branching. The task force consisted of the Commissioner of Professional and Financial Regulation, the Superintendent of the Bureau of Banking, the two co-chairs of the Joint Standing Committee on Banking and Insurance, five members representing the Maine banking industry and five members representing the business community and the general public. The mission of the task force was to make recommendations regarding the State's response to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

The task force issued its report on November 30, 1995, including proposed legislation implementing the recommendations of the task force. Ultimately, LD 1750, "An Act to Implement the Recommendations of the Maine Task Force on Interstate Banking and Branching," was enacted into law during the Second Regular Session of the 117th Legislature.

While LD 1750 contained most of the legislation necessary to respond to Riegle-Neal, the task force concluded it lacked the time and resources to fully explore an appropriate response to the provisions of Riegle-Neal regarding foreign banking and branching. The task force recommended that the Bureau of Banking study the issue of foreign banking and branching and, in consultation with the Maine banking industry, develop an appropriate legislative response.

Parts A and B of LD 1119 constitute the recommended response to the issue of foreign banking and branching. Specifically, Part A proposed to clarify that foreign banks and foreign bank holding companies can establish or acquire Maine financial institutions and financial institution holding companies subject to the prior approval of the Superintendent of Banking. Part B of the bill proposed to create Maine Revised Statutes, Title 9-B, chapter 107 to

provide for the establishment of branches, agencies and representative offices of foreign banks in Maine and the regulatory scheme for their operation. The powers, duties and obligations of foreign banks operating such offices in Maine are comparable to those of financial institutions organized pursuant to Title 9-B as modified by provisions comparable to those contained in the federal International Banking Act of 1978. The primary difference between a financial institution organized pursuant to Title 9-B and a foreign bank branch is that the foreign bank branch may not solicit deposits of less than \$100,000 and is not required to maintain federal deposit insurance.

Part C of the bill proposed to amend Title 9-B, section 232 to provide the Superintendent of Banking with the authority to remove directors and officers of financial institution holding companies. During 1996, the Bureau of Banking successfully completed the Conference of State Bank Supervisors' accreditation process for state banking departments. The Accreditation Review Team, however, recommended in its report of accreditation that director and officer removal authority be extended to financial institution holding companies.

Committee Amendment "A" (S-120) proposed to add a fiscal note to the bill.

Senate Amendment "A" (S-143) was presented on behalf of the Committee on Bills in the Second Reading to avoid a section numbering conflict with Public Law 1997, chapter 66.

Enacted law summary

Public Law 1997, chapter 182 enacts provisions into State law for the establishment and regulation of foreign banks and branches in Maine. The law is the State's response to the provisions relating to foreign banking and branching contained in the federal Reigle-Neal Interstate Banking and Branching Efficiency Act of 1994. It allows foreign banks and foreign bank holding companies to establish or acquire Maine financial institutions and financial institution holding companies with the prior approval of the Superintendent of Banking. It also allows foreign banks to establish branches, agencies or representative offices in the State subject to the requirement that foreign branches may not solicit deposits of less than \$100,000 and are not required to maintain federal deposit insurance.

Public Law 1997, chapter 182 also gives the Superintendent of Banking the authority to remove directors and officers of financial institution holding companies.

LD 1132

An Act to Amend the Continuing Care Retirement Community Laws

PUBLIC 478

Sponsor(s)
TRIPP

Committee Report
OTP-AM

Amendments Adopted
H-426

LD 1132 proposed to repeal a provision added to the laws governing continuing care retirement communities in 1995 that exempts such communities under specific circumstances from complying with the provisions of the State's certificate of need laws in connection with the development and construction of any nursing facility. This bill also proposed to enact two provisions in the continuing care retirement community laws that were repealed in 1995 that require credit reports on all persons responsible for the conduct of the affairs of the developer of a continuing care retirement community and a requirement that the Department of Human Services, as part of the application process, certify to the Superintendent of Insurance that the proposed provider and developer of the continuing care retirement community has demonstrated the willingness and ability to ensure that health care services or supportive services, or both, will be provided in an appropriate manner to the persons who will reside in the continuing care retirement community.

Committee Amendment "A" (H-426) renamed and replaced the bill. It proposed to remove the requirement that only a nonprofit continuing care retirement community is exempt from the requirements of the State's certificate of need laws in connection with the development and construction of a skilled nursing facility as part of the continuing care retirement community.

Enacted law summary

Public Law 1997, chapter 478 removes the requirement that only a nonprofit continuing care retirement community is exempt from the requirements of the State's certificate of need laws in connection with the development and construction of a skilled nursing facility as part of the continuing care retirement community.

LD 1150 An Act to Prohibit Discrimination Based on Genetic Testing Information ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHARTRAND RAND	ONTP	

LD 1150 proposed to define the terms genetic information and genetic test and prohibit health insurance companies from denying coverage or increasing premiums based on genetic testing information. The bill also proposed to allow a person to bring a civil action if the person is denied coverage or if premiums are increased based on genetic testing information.

See related bills LD 1210 and LD 1243.

LD 1185 An Act to Prohibit the Raising of Interest Rates as a Penalty for Late Payment on Debt ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SKOGLUND KILKELLY	ONTP	

LD 1185 proposed to prohibit a lender from raising credit card interest rates as a penalty for late payments.

LD 1190 Resolve, Regarding Legislative Review of Chapter 840: Private Purchasing Alliances, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance RESOLVE 14 EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-121

LD 1190 proposed to provide for legislative review of Chapter 840, Private Purchasing Alliances, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.

Committee Amendment "A" (H-121) proposed to make a format change and add an allocation section and a fiscal note to the resolve.

Enacted law summary

Resolve 1997, chapter 14 authorizes the final adoption of major substantive rule Chapter 840, Private Purchasing Alliances, of the Bureau of Insurance.

Resolve 1997, chapter 14 was enacted as an emergency measure effective April 18, 1997.

LD 1191	Resolve, Regarding Legislative Review of Chapter 850, Health Plan Accountability, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance	RESOLVE 13 EMERGENCY
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP	

LD 1191 proposed to provide for legislative review of Chapter 850, Health Plan Accountability, a major substantive rule of the Department of Professional and Financial Regulation, Bureau of Insurance.

Enacted law summary

Resolve 1997, chapter 13 authorizes the final adoption of major substantive rule Chapter 850, Health Plan Accountability, of the Bureau of Insurance.

Resolve 1997, chapter 13 was enacted as an emergency measure effective April 14, 1997.

LD 1206	An Act to Ensure Patient Choice and Access to Health Care by Offering a Point-of-service Plan	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL J MILLS	ONTP	

LD 1206 proposed to require health insurers who restrict access to health care providers to allow enrollees to obtain coverage through a point-of-service plan.

LD 1210**An Act to Prohibit Insurance Companies from Denying Health Care Coverage Based on DNA Tests****ONTP**

Sponsor(s)
SAXL J
LAFOUNTAIN

Committee Report
ONTP

Amendments Adopted

LD 1210 proposed to prohibit the following from excluding or providing more restrictive benefits based on information obtained from DNA tests: individual, family and group health insurance policies; hospital, medical and health care service plans; fraternal society certificates of health benefits; and health maintenance organization contracts.

See related bills LD 1150 and LD 1243.

LD 1243**An Act to Protect the Privacy of Genetic Information****CARRIED OVER**

Sponsor(s)
RAND

Committee Report

Amendments Adopted

LD 1243 proposes to provide measures for the protection of the privacy of genetic information. It prohibits discrimination in any form of insurance regulated by the Bureau of Insurance on the basis of genetic information and requires informed consent for obtaining genetic information. It also provides individuals who are tested the right to inspect genetic information concerning them and to be informed of the results of genetic tests. The bill also prohibits discrimination in employment on the basis of genetic information.

LD 1243 was carried over to the Second Regular Session; related bills LD 1150 and LD 1210 were not enacted pursuant to Joint Rule 310 but the substantive provisions proposed in those bills will be incorporated into the consideration of LD 1243.

LD 1265**An Act to Establish a Maximum Rate of Interest on Credit Card Debt****ONTP**

Sponsor(s)
GOODWIN

Committee Report
ONTP

Amendments Adopted

LD 1265 proposed to limit the interest that may be charged on any transactions involving a credit card purchase to 12 1/2%. Under current law, any amount of interest may be charged on a credit card transaction upon the agreement of the creditor and the consumer.

LD 1288 **An Act to Adopt a Uniform Policy on Treatment of Medical Liens in Personal Injury Litigation** **ONTP**

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1288 proposed to expand the protection afforded insureds under the Maine Revised Statutes, Title 24-A, sections 2729-A and 2836 pertaining to limits of priority liens under group and health insurance policies to the medical payment provisions of a casualty insurance policy.

See related bills LD 309 and LD 1453.

LD 1314 **An Act Concerning Costs Imposed by a Lender for Flood Hazard Analysis of Real Estate** **ONTP**

<u>Sponsor(s)</u> VIGUE JENKINS		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1314 proposed to preclude a mortgagee from assessing additional costs for flood hazard inspections if the appraisal of the subject real estate states that it is not located in a flood zone.

LD 1349 **An Act to Reduce Insurance Premiums by Discouraging Insurance Fraud** **PUBLIC 341**

<u>Sponsor(s)</u> MAYO LAFOUNTAIN		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-446
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LD 1349 proposed to address the growing financial problems posed by insurance fraud and to reduce insurance premiums by discouraging fraudulent insurance acts. This bill proposed to require an award of reasonable attorney's fees and costs, including investigative costs, to the prevailing party in a civil action in which it is proven that a person committed a fraudulent insurance act.

Committee Amendment "A" (H-446) replaced the requirement in the bill that the court award attorney's fees and costs to the prevailing party in a civil action in which it is proven that a fraudulent insurance act was committed. The amendment proposed to give the court discretion to award attorney's fees and costs to an insurer that prevails in a civil action and also allows the court to award attorney's fees and costs to the prevailing party in civil actions in which a fraudulent insurance act is not established at trial if the allegation is not supported by a reasonable basis.

The amendment also adds a fiscal note.

Enacted law summary

Public Law 1997, chapter 341 allows the court to award attorney's fees and costs to an insurer that prevails in a civil action and to award attorney's fees and costs to the prevailing party in civil actions in which a fraudulent insurance act is not established at trial if the allegation is not supported by a reasonable basis.

LD 1371 An Act Regarding Compensation for Restricting Medical Care ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRENNAN	ONTP	

LD 1371 proposed to prohibit health care practitioners from contracting with nonprofit hospital and medical service organizations, insurers or health maintenance organizations or subcontracting with each other under such contracts to receive any inducement to deny or limit necessary and appropriate health care services or treatment for covered patients.

LD 1374 An Act to Increase Mandatory Auto Insurance Limits ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 1374 proposed to increase mandatory motor vehicle insurance limits for damage to property from \$10,000 to \$25,000, for injury to or death of any one person from \$20,000 to \$50,000 and for one accident resulting in injury to or death of more than one person from \$40,000 to \$100,000. The bill also proposed to increase mandatory uninsured and underinsured motor vehicle coverage by the same amounts. The bill proposed to take effect January 1, 1999.

See related bill LD 668.

LD 1385 An Act to Promote Parity in the Regulation of Insurance Sales by PUBLIC 315 Federally and State-chartered Financial Institutions EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAREY	OTP-AM	H-595 SAXL J
CAMPBELL		S-234

LD 1385 proposed to authorize state-chartered financial institutions to engage in the sale and negotiation of insurance products to the same extent as federally chartered financial institutions by making the following changes.

It authorizes supervised lenders to engage in insurance agency activities, subject to the same restrictions placed on agents affiliated with financial institutions and credit unions. Agents affiliated with supervised lenders are regulated by the Office of Consumer Credit Regulation and the Superintendent of Insurance.

It adds definitions of insurance agent, broker and consultant and product that relate to definitions contained within the Maine Insurance Code. An insurance product does not include the enrollment of consumers into group credit-related insurance policies, the sale of which are regulated elsewhere under state law.

It makes clear that fiduciary institutions may disclose financial records as permitted under Maine's Fair Credit Reporting Act and the federal Fair Credit Reporting Act.

It makes clear that a financial institution, credit union or holding company authorized to do business in this State who sells an insurance product in connection with a loan must provide advance notice to the borrower of the borrower's right to choose the borrower's own agent or insurer. Violation of this section is an anticompetitive practice under the Banking Code for which the Superintendent of Banking may issue cease and desist orders, initiate injunction proceedings in Superior Court or remove an officer or director of a financial institution.

It clarifies that financial institutions and credit unions engaged in the sale or negotiation of an insurance product must include in any advertisement of such a product that it is not a federally insured deposit. Violation of this section is considered a deceptive advertising practice under the Banking Code.

It clarifies the anti-tie-in rules regarding financial institutions and credit unions. In particular, the bill clarifies that financial institutions authorized to do business in the State may not provide discounts or otherwise condition the extension of credit or other services on the purchase of an insurance product authorized to be purchased from the institution.

It removes the current prohibition on the sale of insurance products by third-party agents selling annuities under an arrangement with a financial institution or credit union.

It contains the general authority for banks and credit unions to sell insurance on terms similar to those available to federally-chartered financial institutions. This authority carries with it the responsibility to provide posted notification that those insurance products are not a federally guaranteed deposit and the requirement of providing clear visible notice or signs separating insurance products from other financial institution products or services.

It clarifies that the sale of insurance by affiliates of creditors or lenders to debtors of such businesses is not a controlled business arrangement.

It clarifies ambiguities within and initially limits to towns over 5,000, the scope of the so-called "anti-affiliation statute" that currently prevents financial institutions, their affiliates and their subsidiaries from being licensed to sell insurance products under the Maine Insurance Code.

It repeals the prohibition on the ability of an agent affiliated with a financial institution to hold an annuities license and a license to act as agent regarding other lines of insurance.

It expands the current right-to-choose laws to require lenders to give borrowers the right to purchase, from any agent or company, any insurance in connection with the loan. Current law gives borrowers the right to choose an insurer or agent only with respect to insurance directly insuring the secured property.

It prevents creditors from interfering with the free choice of an insurance agent by using unreasonable red tape or delay tactics.

It requires lenders to maintain written criteria for approving an insurer selected by a borrower in connection with a loan, to make this criteria available to consumers and to provide timely notice if a consumer's selected insurer is rejected using this criteria.

It clarifies that a purchaser or borrower may change insurance carriers related to an extension of credit, except when the change violates a condition of the loan or another provision of law.

It limits the ability of lenders to directly solicit or negotiate certain insurance contracts from borrowers until the creditor has notified the borrower of its action on the application for credit.

It requires lenders to notify borrowers of their right to choose any insurance agent or carrier in connection with a loan, not simply with respect to insurance otherwise required on a loan as provided under current law. The current notice is also expanded to make clear to borrowers that selecting a particular agent will not affect credit decisions of the lender, unless the insurance product selected violates the terms of the loan or other statutory provisions. It also provides that a lender may not reject an insurance product selected by the borrower solely because the product was not obtained by or through an agent or broker affiliated with the lender.

It places certain limits on the ability of lenders to use in solicitations any insurance information required to be disclosed by a borrower in connection with a loan.

Finally, the bill authorizes joint rulemaking by the Superintendent of Banking, the Superintendent of Insurance and the Director of the Office of Consumer Credit Regulation to implement this Act.

Committee Amendment "A" (S-234) proposed to clarify that certain statutory provisions relating to the regulation of insurance sales by supervised lenders, financial institutions and credit unions authorized to do business in this State do not apply to group health and group life insurance to the extent authorized by the Maine Revised Statutes, Title 24-A, chapters 31 and 35 when the insured is enrolled in the insurance policy, credit life and credit health insurance to the extent authorized by Title 24-A, chapter 37, credit property insurance, credit involuntary unemployment insurance, forced placed property insurance, a vendor's single interest policy or any insurance product as determined by the Superintendent of Insurance.

The amendment proposed to remove the limit authorizing only supervised lenders, credit unions and financial institutions located in towns with populations of 5,000 or less to sell insurance products and authorize supervised lenders, credit unions, financial institutions and their affiliates and subsidiaries located anywhere in the State to be licensed to sell insurance products under the Maine Insurance Code.

The amendment also makes technical and grammatical changes to the bill and adds a fiscal note.

House Amendment "A" to Committee Amendment "A" (H-595) proposed to add punctuation to clarify a list of exceptions and to make a usage change.

Enacted law summary

Public Law 1997, chapter 315 authorizes state-chartered financial institutions, credit unions, supervised lenders and their affiliates and subsidiaries to be licensed to sell insurance products under the Maine Insurance Code. Generally, the authority granted to state-chartered financial institutions to engage in the sale and negotiation of insurance products is subject to terms and requirements similar to those applicable to federally chartered financial institutions. The law requires state-chartered financial institutions selling insurance to provide posted notification that those insurance products are not federally insured deposits and provide clear visible notice or signs separating

insurance products from other financial institution products and services. The law also requires financial institutions selling insurance products in connection with a loan to provide advance notice to the borrower of the borrower's right to choose and purchase any insurance product from any agent or broker.

Public Law 1997, chapter 315 clarifies that certain statutory provisions relating to the regulation of insurance sales by supervised lenders, financial institutions and credit unions authorized to do business in this State do not apply to group health and group life insurance to the extent authorized by the Maine Revised Statutes, Title 24-A, chapters 31 and 35 when the insured is enrolled in the insurance policy, credit life and credit health insurance to the extent authorized by Title 24-A, chapter 37, credit property insurance, credit involuntary unemployment insurance, forced placed property insurance, a vendor's single interest policy or any insurance product as determined by the Superintendent of Insurance.

The law also authorizes the Superintendent of Banking, Superintendent of Insurance and Director of the Office of Consumer Credit Regulation to conduct joint rulemaking to implement the law's provisions.

Public Law 1997, chapter 315 was enacted as an emergency measure effective May 29, 1997.

LD 1386 **Resolve, to Review Health Insurance Benefits Mandated by the State** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATERHOUSE	ONTP MAJ	
CAREY	OTP MIN	

LD 1386 proposed to require the Bureau of Insurance to review existing mandated health insurance benefits in the same manner as it is currently required to review new proposals for mandated coverage. The bureau must report to the joint standing committee of the Legislature having jurisdiction over insurance matters by January 15, 1998 on the social and financial impacts, the medical efficacy of mandating the benefit and the effects of balancing the social, economic and medical efficacy considerations and determine which of the existing mandates are to be repealed, amended or continued.

LD 1417 **An Act to Prohibit Certain Accidents from Being Used by Insurers to Increase Insurance Premiums** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MICHAUD	ONTP	

LD 1417 proposed to prohibit an insurer from imposing a surcharge or increasing the rate for an insurance policy on a motor vehicle owned for personal use when the insured was involved in an accident while employed as a commercial driver and the accident was determined to be not the fault of that person.

Sponsor(s)
SAXL J
MURRAY

Committee Report
OTP-AM

Amendments Adopted
H-524

LD 1453 proposed to ensure that an insured person will obtain a full recovery from other sources before having to reimburse the insurance carrier for benefits paid under a health insurance or motor vehicle insurance policy.

Committee Amendment "A" (H-524) replaced the bill. It proposed to expand the current statutory provisions pertaining to limits on priority liens under individual and group health insurance policies to health maintenance organization contracts and add a cross-reference to the current provisions in the Maine Revised Statutes, Title 24, to make the provisions explicitly applicable to nonprofit hospital and medical service organizations. The amendment also proposed to require that subrogation provisions in casualty insurance policies account for the pro rata share of the insured's attorney fees incurred in obtaining the recovery from another source.

The amendment also added a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 369 makes the current statutory provisions pertaining to limits on priority liens under health insurance policies applicable to health maintenance organization contracts. It also adds a cross-reference to the current provisions in the Maine Revised Statutes, Title 24 to make the statutory requirements explicitly applicable to nonprofit hospital and medical service organization contracts.

Public Law 1997, chapter 369 also requires that subrogation provisions in casualty insurance policies account for the pro rata share of the insured's attorney's fees incurred in obtaining the recovery from another source.

Sponsor(s)
NUTTING
MCKEE

Committee Report
ONTP

Amendments Adopted

LD 1470 proposed to require that school boards purchase all insurance other than that for workers' compensation or insurance related to employee benefits from the state-administered fund administered by the risk management division within the Department of Administrative and Financial Services.

LD 1484**An Act to Make Mandated Health Insurance Coverage Optional****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATERHOUSE RUHLIN	ONTP	

LD 1484 proposed to require health insurers to make available to purchasers optional coverage of benefits that are currently mandated. The benefits would not be required to be provided in an insurance policy unless the purchaser chooses the option.

LD 1489**An Act to Update the Insurance Code for Substance Abuse****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LEMAIRE	ONTP	

LD 1489 proposed to make the following changes to the laws governing health insurance coverage for alcohol and drug dependency treatment.

1. Current law requires that nonprofit hospital and medical service organizations and group health insurers provide benefits for the treatment of alcohol and drug dependency. This bill requires that health maintenance organizations offer the same benefits.
2. The bill specifies that any managed care plan issued by a nonprofit hospital and medical service organization or group health insurer must provide benefits for the treatment of alcoholism and drug dependency.
3. This bill specifies that benefits for alcoholism or drug dependency services must be provided by a state-licensed alcohol and drug counselor or other professional under the direct supervision of such a counselor.
4. The bill prohibits insurers, health maintenance organizations and nonprofit hospital and medical service organizations from excluding state-licensed alcohol and drug counselors from reimbursement by requiring such counselors to possess education or credentials other than those required by the State for licensure.

LD 1491**An Act to Reduce Interest and Charges on Improvident Extensions of Consumer Credit****ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 1491 proposed to eliminate any interest, finance charges or costs for improvident extensions of consumer credit to insolvents. This bill also proposed to allow a consumer to whom improvident extensions of credit are made to recover limited costs incurred in the successful defense of an action brought by a credit card company against the insolvent consumer.

LD 1500**An Act to Increase Access to and Affordability of Mental Health Services****PUBLIC 174**

Sponsor(s)
MITCHELL J
PARADIS

Committee Report
OTP-AM

Amendments Adopted
H-237

LD 1500 proposed to extend to health maintenance organizations the statutory provisions that currently apply to nonprofit hospital and medical service organizations, individual health care insurers and group health care insurers. This bill requires health maintenance organizations issuing mental health services contracts to offer coverage for those services when performed by a counseling professional who is licensed to assess and treat interpersonal and intrapersonal problems, has at least a masters degree from an accredited educational institution and has been employed as a counselor for at least two years.

Committee Amendment "A" (H-237) proposed to remove section 1 of the bill because section 2 of the bill effectuates the intent of the changes made in section 1. Section 1 proposed to make unnecessary clarifications.

Enacted law summary

Public Law 1997, chapter 174 requires health maintenance organizations issuing mental health services contracts to offer coverage for those services when performed by a counseling professional who is licensed to assess and treat interpersonal and intrapersonal problems, has at least a masters degree from an accredited educational institution and has been employed as a counselor for at least two years.

The requirements of chapter 174 apply to all contracts executed, delivered, issued for delivery, continued or renewed on or after January 1, 1998.

LD 1509**Resolve, to Create a Restriction on Requiring the Early Payment of Loans****ONTP**

Sponsor(s)
GERRY

Committee Report
ONTP

Amendments Adopted

LD 1509 proposed to direct the Commissioner of Professional and Financial Regulation to study the practice of banks calling in loans early and to make recommendations to prohibit this practice. The commissioner is also required to study and recommend set penalties imposed by banks for late payments of loans.

LD 1521**An Act to Amend the Laws Concerning Health Insurance****PUBLIC 370**

Sponsor(s)
PERRY
LAFOUNTAIN

Committee Report
OTP-AM

Amendments Adopted
H-582

LD 1521 proposed to make the following changes to the laws governing health insurance.

Part A removes the requirement for private purchasing alliances to offer inpatient only and outpatient only plans. Inpatient plans are permitted but not required.

Part B prohibits the practice of "dumping" by which individuals with health problems are provided individual policies in order to improve the claims experience of a group policy.

Part C makes technical amendments to the health insurance continuity law to improve consistency and clarity.

Part D allows a Medicare beneficiary who switches to a managed care plan and then switches back to repurchase a Medicare supplement policy.

Part E makes technical amendments to the small group and individual health insurance reform laws for consistency and clarity. It also creates an exception to guaranteed issue of individual policies for individuals eligible for Medicare Part A without paying a premium and allows these policies to be rated separately.

Part F clarifies filing requirements applicable to health maintenance organizations offering products using a more limited provider network rather than their full network.

Part G clarifies the requirements for filing and approval of policy forms.

Part H corrects an allocation error.

Committee Amendment "A" (H-582) proposed to remove the rebuttable presumption language in the "anti-dumping" provisions in the bill and replace it with language requiring the Superintendent of Insurance to initiate enforcement proceedings when investigation of the circumstances surrounding the procurement of an individual policy at the time of replacement of the group policy produces evidence of a violation of the anti-dumping provisions.

The amendment also proposed to remove sections of the bill that conflict with provisions contained in the Committee Amendment to LD 1808, "An Act to Make Maine Health Insurance Laws Consistent with Federal Laws." It also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 370 makes several changes to the laws governing health insurance that include:

1. Removing the requirement for private purchasing alliances to offer inpatient only and outpatient only plans. Inpatient plans are permitted but not required;
2. Prohibiting the practice of "dumping" by which individuals with health problems are provided individual health policies in order to improve the claims experience of a group policy;
3. Allowing a Medicare beneficiary who switches to a managed care plan and then switches back to repurchase a Medicare Supplement policy;
4. Creating an exception to the guaranteed issuance of all individual policies for individuals eligible for Medicare Part A without paying a premium and allows these policies to be rated separately; and

5. Clarifying the filing requirements applicable to health maintenance organizations offering products using a more limited provider network than their full provider network.

LD 1530 **An Act to Require Banks to Forward Copies of Mortgages to the Municipalities in Which the Property Is Located** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY	ONTP MAJ OTP-AM MIN	

LD 1530 proposed to require creditors and financial institutions that issue mortgages to forward a copy of a mortgage to the municipality in which the mortgaged property is located or, for property located in an unorganized territory, to the State Tax Assessor.

Committee Amendment "A" (H-325) is the minority report and replaced the bill. It proposed to allocate to the Maine Revised Statutes, Title 33, chapter 9 the provision requiring mortgagees to provide notice of mortgages to municipalities in which the property is located or to the State Tax Assessor if the property is located in unorganized territory. It also proposed to require that instead of forwarding copies of the mortgage a mortgagee shall forward only the name and address of the mortgagor, the location of the property and the name and address of the mortgagee.

The amendment also adds a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 1540 **An Act to Establish a State Disaster Relief Trust Fund** **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KERR		

LD 1540 proposes to establish a disaster relief trust fund to be administered by the Maine Emergency Management Agency to match federal disaster assistance funds and provide other local disaster assistance. The trust fund is funded by a surcharge on homeowners' and business property insurance policies. was carried over to the Second Regular Session.

LD 1556 **An Act to Establish Breast Cancer Patient Protection** **PUBLIC 408**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIDSON GOLDTHWAIT	OTP-AM MAJ OTP-AM MIN	H-668

LD 1556 proposed to require that medical insurance coverage provide a patient with not less than 48 hours of inpatient care following a mastectomy and not less than 24 hours of inpatient care following a lymph node dissection for treatment of breast cancer.

Committee Amendment "A" (H-668) is the majority report and it replaced the bill. It proposed to require that medical insurance coverage provide inpatient coverage for a period of time determined by the physician and patient to be medically appropriate following a mastectomy, lumpectomy or a lymph node dissection for treatment of breast cancer.

The amendment also proposed to require insurance coverage for annual mammograms for women 40 years of age and over and extend to health maintenance organizations the provisions requiring coverage for annual mammograms.

The amendment adds an application provision stating that the bill applies to policies issued or renewed on or after January 1, 1998.

The amendment also adds a fiscal note to the bill.

Committee Amendment "B" (H-669) is the minority report and replaced the bill. It proposed to require that medical insurance coverage provide inpatient coverage for a period of time determined by the physician and patient to be medically appropriate following a mastectomy, lumpectomy or a lymph node dissection for treatment of breast cancer.

The amendment also proposed to require insurance coverage for annual mammograms for women with a family history of breast cancer if recommended by a physician and extend to health maintenance organizations the provisions requiring coverage for screening mammograms in current law.

The amendment adds an application provision stating that the bill applies to all policies and contracts issued or renewed on or after January 1, 1998.

The amendment also adds a fiscal note to the bill. Committee Amendment "B" was not adopted.

Enacted law summary

Public Law 1997, chapter 408 requires that nonprofit hospital and medical service organizations, insurers and health maintenance organizations provide insurance coverage for inpatient hospital stays for a period of time determined by the physician and patient to be medically appropriate following a mastectomy, lumpectomy or a lymph node dissection for treatment of breast cancer.

Public Law 1997, chapter 408 also requires insurance coverage for annual mammograms for women age 40 and older in individual and group contracts of nonprofit hospital and medical service organizations, insurers and health maintenance organizations.

The requirements of chapter 408 apply to all policies and contracts executed, delivered, issued for delivery, continued or renewed on or after January 1, 1998.

Sponsor(s)
WATSON
MURRAY

Committee Report
OTP-AM

Amendments Adopted
H-656

LD 1558 proposed to establish a mechanism for regulating viatical settlement agreements. Viatical settlement agreements are agreements by which a person insured under a life insurance policy who has a catastrophic or life-threatening illness agrees to designate the viatical provider as the beneficiary under the policy in exchange for an immediate payment to the ill person. This bill requires a person who acts as viatical settlement provider to obtain a license from the Superintendent of Insurance, demonstrate trustworthiness and good business standing and demonstrate financial responsibility. Forms used by viatical settlement providers and viatical settlement brokers must be approved by the superintendent. Annual reports are required. The bill also provides for the confidentiality of information relating to the viator, disclosure of the rights of a viator, potential implications of a settlement agreement and provisions for ensuring that a viator is competent and enters into the agreement voluntarily. A violation of the viatical settlement provisions is an unfair trade practice. Currently, these types of agreements are being entered into without regulation or protection for the insured person.

Committee Amendment "A" (H-656) proposed to do the following:

1. Clarify the definitions in the bill and add new definitions for "institutional investor," "viatical settlement" and "viator;"
2. Replace the use of the terms "agent" and "broker" with the terms "producer" and "independent producer;"
3. Eliminate separate licensing and fee requirements for independent viatical producers already licensed as independent producers;
4. Increase the licensing and renewal fees for viatical settlement providers;
5. Provide that a viatical settlement provider has an opportunity for hearing before the Superintendent of Insurance denies, suspends, revokes or refuses to renew a license, rather than requiring a hearing in all instances;
6. Add provisions governing confidentiality and disclosure;
7. Make income from viatical settlements taxable under state income tax laws only to the extent the income is subject to federal tax;
8. Clarify the provisions relating to rights under assignment;
9. Remove the provisions relating to incontestability and limits on defenses that may be raised by insurance companies in disputes;
10. Clarify the provisions relating to conversion from a group to an individual life insurance policy; and
11. Change the effective date from November 1, 1997 to October 1, 1997.

12. The amendment also adds an allocation section and a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 430 establishes a regulatory framework for viatical settlement agreements. Viatical settlement agreements are agreements by which a person insured under a life insurance policy who has a catastrophic or life-threatening illness agrees to designate the viatical settlement provider as the beneficiary under the policy in exchange for immediate payment to the ill person. Under current state law, there are no regulatory or consumer protection provisions governing viatical settlement agreements.

The law requires viatical settlement providers who are in the business of purchasing viatical settlement agreements to be licensed by the Bureau of Insurance. Viatical producers who solicit or arrange viatical settlement agreements are also required to be licensed as life and health producers under the Maine Insurance Code.

Public Law 1997, chapter 430 also provides for the confidentiality of information relating to the viator, disclosure of rights of a viator, rights under assignment, state income taxation, conversion from a group to an individual life insurance policy, potential implications of a viatical settlement agreement and provisions for ensuring that a viator is competent and enters into the agreement voluntarily.

Public Law 1997, chapter 430 takes effect October 1, 1997.

LD 1566

An Act to Require Blue Cross and Blue Shield of Maine to Report Annually to the Legislature Regarding the Fulfillment of Its Charitable Mission

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 1566 proposed to require that nonprofit hospital and medical service organizations, such as Blue Cross and Blue Shield of Maine, annually report to the Legislature regarding the fulfillment of the corporation's purposes as a charitable and benevolent institution.

LD 1568

An Act to Amend the Board of Directors of Nonprofit Hospital or Medical Service Organizations

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	ONTP	

LD 1568 proposed to amend the composition of the board of directors of nonprofit hospital and medical service organizations to require the addition of three public directors, one each appointed by the President of the Senate and the Speaker of the House, and the Commissioner of Human Services. The public directors are subject to the same term restrictions as are placed on the current directors, except that the initial term of the appointee of the President of the Senate is only two years, so that the terms of the public directors are staggered.

LD 1619	An Act to Require Banks to Have Written or Oral Authority before Funds Are Electronically Removed from Resident Accounts	ONTP
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<u>Sponsor(s)</u> GERRY	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1619 proposed to prohibit a bank from electronically transferring funds from the account of a state resident without first obtaining written or oral authorization.

LD 1625	An Act to Create an Independent Ombudsman for Consumer Protection in Managed Care	ONTP
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<u>Sponsor(s)</u> MITCHELL J LAFOUNTAIN	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1625 proposed to create a Managed Care Ombudsman to investigate consumer experience with health maintenance organizations and report on that investigation to the Legislature each year. Funding for the ombudsman is obtained by the placement of a surcharge, in an amount determined by the Superintendent of Insurance, on the annual net amounts obtained from the issuance of health care policies, contracts or certificates by nonprofit hospital and medical service organization plans, individual or family health insurers, group health insurers, fraternal benefit societies or health maintenance organizations.

See related bill LD 1848 which was carried over to the Second Regular Session.

LD 1640	An Act to Streamline Licensing and Reporting Requirements and Reduce Regulatory Burdens for Licensed Insurance Professionals and Insurers	PUBLIC 457 EMERGENCY
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<u>Sponsor(s)</u> ABROMSON	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u> S-313
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LD 1640 proposed to remove the appointment of the Superintendent of Insurance by insurers and other nonresident licensees for service of process of legal actions and provides that licensees must appoint an attorney located in the State as agent for service of process. It proposed to allow the superintendent to bill insurers on a periodic basis for filings rather than requiring licensees to pay with each filing, clarify provisions in third-party administrator law related to insurer responsibility, reduce reporting requirements for surplus lines brokers, modify rebating laws to allow the payment of fees for services rather than commissions, modify rebating laws to allow gifts valued at less than \$20 to be given to insured customers, revise the law to allow insurance agents and insurers to arrange financing for insureds, and repeal chapter 63 of the Maine Insurance Code, removing the regulation of road or tourist service companies from the Bureau of Insurance. It also proposed to repeal chapter 17 of the Maine Insurance Code and enact chapter 16 resulting in the following changes in licensing laws.

1. It clarifies that the licensing laws apply to health maintenance organizations, fraternal benefit societies and nonprofit hospital and medical service organizations as well as insurers.
2. It eliminates the need for a license if an adjuster is employed by an insurer, health maintenance organization, nonprofit hospital and medical service organization or fraternal benefit society.
3. It changes the law to allow licensed producers, formerly defined as agents and brokers, to adjust claims for insurers, health maintenance organizations, fraternal benefit societies and nonprofit hospital and medical service organizations up to \$5,000 instead of \$2,500.
4. It strengthens consumer protection in consultant licensing.
5. It eliminates the agent and broker categories of licensure and creates one license category, a "producer."
6. It adopts a definition for limited insurance producer. It extends the definition to require a limited license for a person that enrolls others in most group insurance contracts and a person selling mechanical break-down contracts when an insurer is underwriting the contract and part of the money received for the contract becomes a premium for a policy. This, in combination with the repeal of the controlled business law, allows organizations that are group policyholders to become licensed and share in commissions. It will allow persons enrolling to collect commissions if licensed.
7. It changes the definition of "organization" to the more commonly used term "agency."
8. It changes the definition of "resident" to accommodate residents of other states or provinces who work in Maine full time and to accommodate Maine residents who work in other states or provinces full time.
9. It eliminates the "controlled business" law.
10. It requires that an officer of an agency be licensed and designated as responsible for the agency and that a change in the responsible person be forwarded to the superintendent within 14 days of the change. It also requires that the responsible person will be responsible for all correspondence with the superintendent and must notify the superintendent within 30 days of every change in individuals designated to act in the name of the agency. It further requires that if the responsible person in an agency loses that person's license, the agency license will terminate if a new person is not designated as responsible within 14 days.
11. It requires all branch offices, resident or nonresident, to be registered, but eliminates the need to have a different manager at each location.
12. It clarifies that an agency cannot be licensed with the word "company" in the name.
13. It requires, for residents and nonresidents, that notice of changes in officers, directors, partners and members be sent to the superintendent within 14 days of request from the superintendent and eliminates the need to send changes as they occur.
14. It incorporates the holding from Wood vs. Superintendent. "Voluntary surrender outside context of disciplinary proceeding does not immunize licensee from subsequent disciplinary action." Wood v. Superintendent of Ins. (1994) Me., 638 A.2d 67.
15. It eliminates the need for insurers to file appointments of representatives of insurance companies.

16. It requires notice of material change in the application to be sent to the superintendent within 30 days.
17. It allows a person to retest for the part of the examination failed, rather than the entire examination. Most tests for licensure are two-part. Under current law, if a person fails one part, the person must take the entire exam again.
18. It allows a nonresident to obtain a temporary license after passing the law portion of the exam, eliminating a nonresident being out of work while waiting for a letter of clearance from another state.
19. It clarifies that individuals that have passed examinations to become licensed must become licensed within two years after passing the test.
20. It allows a producer to work for a fee rather than a commission on large commercial accounts, but leaves the standards for this to be established through rulemaking.
21. It allows a licensee to maintain a principal place of business in this State if a resident in another state or country.
22. It retains the requirement that a resident licensee have a place of business accessible to the public, but allows that place of business to be in a contiguous state or province.
23. It provides that return premiums must be forwarded to insureds or credited to outstanding balances of the insured within 10 days from receipt and establishes a definition of receipt.
24. It provides that premiums due the insurer, health maintenance organization, fraternal benefit society and nonprofit hospital and medical service organization be forwarded promptly to the insurer in accordance with the contract between the insurer, health maintenance organization, fraternal benefit society and nonprofit hospital and medical service organization and the licensee.
25. It raises the amount of a consultant bond to \$20,000 from \$10,000.
26. It allows a licensee that has been disciplined for failure to notify the superintendent of address change to remove that action from the licensee's record.

Committee Amendment "A" (S-313) proposed to do the following.

1. It adds a provision to preserve the "broker" concept consistent with current law and rewrites several sections for clarification.
2. It adds additional reasons why advance notice of termination of producer or agency appointment is not required.
3. It preserves the definition of service representative and a licensing exception for salaried employees of life insurers.
4. It allows an agency 90 days within which to get an officer or member licensed and designated as responsible for the agency and allows the Superintendent of Insurance to extend that period for good cause.

5. It provides that when any rebate or discount for a surety bond is approved the economic value of the rebate or discount must be returned to the governmental agency or department of the surety bond covering a project supported with public funds.
6. It adds an effective date of October 1, 1997 for all provisions of the bill pertaining to "single producer licensing", the repeal of Title 24-A, chapter 17 and the enactment of Title 24-A, chapter 16.

The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 457 repeals chapter 17 of the Maine Insurance Code and enacts a new chapter 16 governing the licensure of insurance professionals. It eliminates the agent and broker categories of licensure and creates one licensure category, "producer".

The law also removes the appointment of the Superintendent of Insurance by insurers and other nonresident licensees for service of process of legal actions and provides that licensees must appoint an attorney located in the State as agent for service of process. It allows the Superintendent to bill insurers on a periodic basis for filings rather than requiring licensees to pay with each filing, clarifies provisions in 3rd-party administrator law related to insurer responsibility, reduces reporting requirements for surplus lines brokers, modifies rebating laws to allow payment of fees for services rather than commissions, modifies rebating laws to allow gifts valued at less than \$20 to be given to insured customers, provides that when any rebate or discount must be returned to the governmental agency or department of the surety bond covering a project supported with public funds, revises the law to allow insurance agents and insurers to arrange financing for insureds and removes the regulation of road or tourist service companies from the Bureau of Insurance.

Public Law 1997, chapter 457 was enacted as an emergency measure effective June 11, 1997. However, the provisions of chapter 457 pertaining to "single producer licensing", the repeal of Title 24-A Maine Revised Statutes chapter 17 and the enactment of Title 24-A Maine Revised Statutes chapter 16 take effect October 1, 1997.

LD 1642

**Resolve, to Require the Superintendent of Insurance to Develop
Criteria for an Independent Fairness Review Prior to Conversion of
a Non-profit Entity to a For-profit Entity**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL J	ONTP	

LD 1642 proposed to require the Superintendent of Insurance to develop criteria to be considered in determining whether a conversion plan of a nonprofit hospital and medical service organization to a for-profit corporation or mutual benefit corporation or entity or engage in for-profit activity is fair and equitable. The superintendent must report back to the Joint Standing Committee on Banking and Insurance of the 118th Legislature no later than February 1, 1998 with the criteria and any legislation recommended by the superintendent to protect the public interest and the subscribers of the nonprofit hospital and medical service organization.

LD 1664**An Act to Require Bids from Health Care Providers for State Employees to Include Medicaid Coverage****ONTP**

Sponsor(s)
PINGREE
SAXL M

Committee Report
ONTP

Amendments Adopted

LD 1664 proposed to require any insurance company, nonprofit hospital, medical or health care service organization, health maintenance organization, third-party administrator or any other organization administering and operating a health care plan that bids for participation in the state employee health insurance program to also bid for participation in the Medicaid program. It also provides that any organization that participates as a contractor in both programs must maintain a separate risk pool between the Medicaid population and state employees.

LD 1738**An Act to Include Nontraditional Medical Alternatives under Health Maintenance Organization and Medicaid Coverage and to Allow the Patient to Choose the Method of Treatment****ONTP**

Sponsor(s)
GERRY

Committee Report
ONTP

Amendments Adopted

LD 1738 proposed to require the Department of Human Services to authorize coverage of nontraditional medical alternatives and nutritional and dietary services under the Medicaid program. The bill also proposed to require all health maintenance organization plan contracts to provide coverage of nontraditional medical alternatives and nutritional and dietary services. The bill also allows the patient to choose the method of treatment.

LD 1741**An Act to Establish the Maine Single-payor Health Care Plan and to Restructure the State Tax System****ONTP**

Sponsor(s)
VOLENIK

Committee Report
ONTP MAJ
OTP-AM MIN

Amendments Adopted

LD 1741 proposed to establish universal health insurance coverage in the State through the following changes.

Part A of the bill proposed to establish the Maine Single-payor Health Care Plan. It establishes the Department of Health Security as an independent agency to administer the plan. Under the plan, enrollees pay premiums to the plan and choose their own health care providers and the plan pays their bills. Coverage under the plan is supplemental to other coverage. The bill requires a report from the Commissioner of Health Security to the joint standing committee of the Legislature having jurisdiction over human resource matters on the options for coordination of the plan with other health plans and for the plan to take over coverage of some persons covered by those health plans. The bill requires an annual report from the commissioner to the Governor and the Legislature on the operation and activities of the plan.

Part B of the bill proposed to establish the position of Commissioner of Health Security. It establishes the pay range for the commissioner as range 89.

Part C of the bill proposed to repeal all sales tax exemptions and increases income tax rates to raise revenue to implement the Maine Single-payor Health Care Plan. The bill also requires that this legislation be submitted to the voters of the State for acceptance through referendum.

Committee Amendment "A" (H-447) is the minority report and proposed to add a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 1754 An Act Regarding Hospital Charges for Physicians Not ONTP
Participating in Health Maintenance Organizations

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GERRY	ONTP	

LD 1754 proposed to require hospitals to charge the same fees for hospital privileges to physicians participating in health maintenance organizations and those physicians that do not participate. The bill also proposed to require hospitals to charge the same fees for hospital services to a person participating in a health maintenance organization plan and a person that is not participating and prohibits a health maintenance organization plan from prohibiting an enrollee to obtain services from nonparticipating hospitals.

LD 1775 An Act to Promote Access to Health Care ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAGGETT	ONTP	

LD 1775 proposed to prohibit health care providers from discriminating against patients based upon the patient's source of payment.

LD 1783 An Act to Clarify the Laws Concerning Claims Settlement Practices CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VIGUE JENKINS		

LD 1783 proposes to do the following.

Part A sets forth those practices of insurers that would constitute unfair claims practices under the Maine Insurance Code. Part A is based in part on the 1990 Unfair Claims Settlement Practices Model Act of the National Association of Insurance Commissioners. The intent of the law is to provide a regulatory framework for the Bureau of Insurance to act in those cases where unfair claim practices arise. The law does not create a private right

of action nor is it intended to create an alternate mechanism to adjudicate disputed claims. Under Part A, the Superintendent of Insurance is required to adopt rules that are major and substantive in nature to carry out the provisions of this law. Penalties, notice and hearing provisions of current law remain in effect.

Part B authorizes the Superintendent of Insurance to make public aggregate ratios of substantiated consumer complaints against insurance companies. Only those complaints determined by the Bureau of Insurance to be valid are included in the development of these ratios.

Part C clarifies the jurisdictional and penalty provisions of the enforcement section of the Maine Insurance Code and gives the superintendent concurrent disciplinary jurisdiction when insurers or insurance professionals violate laws outside the Maine Insurance Code, such as workers' compensation or general criminal laws, in the course of their insurance business.

LD 1783 was carried over to the Second Regular Session along with a related bill, LD 889. Part B of the bill was reported out by the committee as LD 1879, "An Act Authorizing the Bureau of Insurance to Release Aggregate Ratios of Consumer Complaints to the Public," which was enacted as Public Law 1997, chapter 314.

LD 1787

An Act to Authorize Captive Insurance Companies

PUBLIC 435

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAYO MURRAY	OTP-AM	H-638

LD 1787 implements the recommendations of the September 3, 1996 Final Report and Recommendations of the Financial Services Economic Development Subgroup.

The bill proposed to authorize the formation of captive insurers that would be able to provide insurance coverage with respect to the exposures of their parent or affiliated companies. Captive insurance companies could be owned and controlled by single corporations, by groups of corporations or by associations. Capital and surplus requirements for captive insurance companies are significantly less than those otherwise applicable to commercial insurers. Captive insurers are regulated by the Department of Professional and Financial Regulation, Bureau of Insurance to the extent provided for in the bill.

The bill also proposed to provide for taxation of captive insurers on a different basis than that applicable to other insurers. Captive insurers domiciled in Maine are taxed on all premiums received with respect to risks in other jurisdictions at rates comparable to those imposed in other jurisdictions with captive insurance laws. Taxation of direct premiums with respect to Maine risks is at the same rate as is applicable to other insurers. Captive insurers also are subject to an alternative minimum tax.

Committee Amendment "A" (H-638) proposed to clarify that captive insurers required to file documents with the Secretary of State's office must transmit the appropriate filing fee to the Secretary of State along with the documents.

The amendment also proposed to correct a numerical error in the taxation provisions of the bill which generally tax captive insurers at a rate of .375 of 1% on the first \$20,000,000 of direct premiums collected or contracted for regardless of where the risk is located. These rates decline incrementally on additional amounts of premium. The taxation rates on reinsurance premiums are lower.

The amendment also adds an allocation section and a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 435 authorizes the establishment of captive insurers. Captive insurance companies are formed for the purpose of providing insurance coverage with respect to the exposures of their parent or affiliated companies. The companies may be owned and controlled by single corporations, by groups of corporations or by associations. While the capital and surplus requirements and taxation of captive insurance companies are different than those otherwise applicable to commercial insurers, captive insurers are subject to regulation by the Bureau of Insurance.

LD 1808

An Act to Make Maine Health Insurance Laws Consistent with Federal Laws

PUBLIC 445
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL E	OTP-AM MAJ	H-610
KIEFFER	OTP-AM MIN	

The Health Insurance Portability and Accountability Act of 1996 was enacted by Congress and signed by the President of the United States on August 21, 1996. Included in that act are health insurance reforms providing for portability of coverage, limits on preexisting condition exclusions, guaranteed renewability and guaranteed issue to small groups and certain individuals.

Although this State has had similar reforms and in many cases stronger reforms, in place for several years, many of the details differ. For this reason, many of the State's reform laws would be preempted by the federal law if not amended to conform to federal standards. LD 1808 proposed to make the necessary changes to avoid preemption and allow the State to continue to enforce its health insurance reform laws.

The bill proposed to eliminate duplicative language by making nonprofit hospital and medical service organizations subject to the continuity laws in the Maine Revised Statutes, Title 24-A rather than including identical language in Title 24.

The bill also proposed to amend the State's individual health insurance reform laws by clarifying residency requirements and waiving some of these requirements for federally eligible individuals. The bill also added provisions allowing managed care plans to deny coverage to individuals not within their service area and provides a mechanism by which those plans may close enrollment if their capacity is exceeded. The bill eliminates language providing guaranteed renewal, which is now addressed in a new section applicable to both individual and group policies.

The bill also proposed to amend the State's small group health insurance reform laws. The most significant change is that this law would apply to groups with up to 50 employees, up from 24 employees in the current law. The rating restrictions for the newly covered groups take effect January 1, 1998, and are phased in over a three-year period. Also, insurance carriers are permitted to establish a minimum group size of 2 employees. The federal law defines small groups as those with two to 50 employees. The bill also amends the rules for counting employees to conform to federal standards. As in the individual reform laws, provisions are added allowing managed care plans to deny coverage to individuals not within their service area and providing a mechanism by which those plans may

close enrollment if capacity is exceeded. Provisions dealing with guaranteed renewal and limitations on preexisting condition exclusions are deleted because they are addressed in new sections with broader applicability. The bill defines terms used to define "federally eligible individuals," who are entitled to certain rights detailed in other sections.

The bill also proposed to tighten the current restrictions on preexisting condition limitations to conform to the federal law. Use of genetic information is not allowed as a basis for an exclusion. In group contracts, only conditions for which medical advice, diagnosis, care or treatment was recommended or received in the past six months may be excluded and no exclusion may be imposed relating to pregnancy as a preexisting condition. No exclusion at all is permitted for federally eligible individuals.

The bill proposed to make the continuity laws applicable to certain self-insured groups that are not otherwise exempt from state law.

The bill proposed to require guaranteed renewal of all medical policies with certain exceptions that are based on the federal laws. Unlike the current laws, which apply to individuals and small groups, this guaranteed renewal provision applies to large groups as well.

The bill proposed to prohibit group insurance carriers from discriminating against individuals within a group with respect to eligibility standards or premium contributions based on the individual's medical condition or claims experience. Similar requirements already apply to individuals and small groups, but this bill applies to large groups as well.

The requirements of the bill apply to policies, contracts and certificates issued or renewed on or after July 1, 1997. This is the effective date for the group health insurance reforms of the federal laws.

Committee Amendment "A" (H-610) is the majority report. It proposed to add a statutory provision to comply with the "special enrollment period" of the federal law. Although the federal law addresses long-term care insurance, health care fraud and other issues as well as health insurance, the amendment and the bill address health insurance only and do not apply to disability or long-term care insurance. The amendment proposed to clarify the guaranteed issuance, guaranteed renewal and continuity of coverage health insurance laws and make technical changes.

The amendment also adds a fiscal note to the bill.

Committee Amendment "B" (H-611) is the minority report. It differs from the majority report in that it proposed to extend the prohibition against imposing a preexisting condition exclusion related to a pregnancy for group insurance policies and contracts contained in the bill to individual policies and contracts as well.

The amendment also adds a fiscal note to the bill. Committee Amendment "B" was not adopted.

Enacted law summary

Public Law 1997, chapter 445 makes changes to Maine's health insurance laws to conform with changes in federal law included in the Health Insurance Portability and Accountability Act of 1996. The changes made in this law are necessary to avoid preemption by the federal law and to allow the State to continue to enforce its health insurance reform laws.

Public Law 1997, chapter 445 was enacted as an emergency measure effective June 10, 1997; the requirements of chapter 445 apply to all policies and contracts issued or renewed on or after July 1, 1997.

LD 1848 An Act to Create the Managed Care Ombudsman Program CARRIED OVER

<u>Sponsor(s)</u> SAXL J	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 1848 proposes to create the Managed Care Ombudsman Program within the Office of the Public Advocate to educate and assist consumers with managed care plan selection, assist enrollees in understanding their rights and responsibilities under managed care plans, advocate for policies and programs that protect consumer rights and interests and handle complaints and appeals and provide individual case representation. The bill establishes the Managed Care Ombudsman Program Fund, a dedicated fund to receive income from assessments on nonprofit hospital and medical service organizations, insurers and health maintenance organizations.

LD 1848 was carried over to the Second Regular Session.

LD 1849 An Act to Clarify the Charitable Status of Nonprofit Hospital and Medical Service Organizations, to Permit Their Creation of Health Insurance Affiliates and Their Conversion to Stock Insurers and to Ensure Regulatory Equity PUBLIC 344

<u>Sponsor(s)</u> SAXL M LAWRENCE	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-701
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LD 1849 proposed to clarify the charitable status of nonprofit hospital and medical service organizations, permit their creation of health insurance affiliates, permit their conversion to stock insurers and ensure regulatory equity.

Committee Amendment "A" (H-701) proposed to do the following.

1. It adds a requirement that the board of directors of any charitable trust established after a conversion or a material change in form represent the interests of the medically uninsured and underserved populations.
2. It clarifies that a nonprofit hospital and medical service organization may not convert to a mutual insurer.
3. It prohibits a nonprofit hospital and medical service organization from serving as the charitable trust after a conversion or material change in form.
4. It requires a nonprofit hospital and medical service organization to file an annual report to the Attorney General and the Superintendent of Insurance describing its efforts to fulfill its charitable and benevolent purposes.
5. It clarifies that the bill does not affect the charitable status or obligations of current nonprofit health care service organization plans that provide dental and vision services in the State.

6. It raises the maximum percentage of ownership interests available to for-profit interests in health insurance affiliates from 20% to 25% in the case of individual physicians and limits the maximum ownership interest to 20% for nonprofit and noncharitable physician-hospital organizations in the aggregate, or in combination with individual physicians.
7. It clarifies that the tax exemption for nonprofit hospital and medical service organizations will be removed after a material change in form in the event that the entire charitable interest is transferred to a charitable trust.
8. It makes necessary clarifications and technical changes.
9. It adds an allocation section and a fiscal note.

Enacted law summary

Public Law 1997, chapter 344 clarifies the charitable status of nonprofit hospital and medical service organizations currently and following a material change in form or a conversion to a for-profit stock insurer, permits the formation of health insurance affiliates in joint ventures including nonprofit hospital and medical service organizations, allows the conversion of a nonprofit hospital and medical service organization to a stock insurer pursuant to a plan approved by the Superintendent of Insurance and institutes an expedited process of rate review for individual and Medicare supplement insurance products.

Public Law 1997, chapter 344 explicitly states that a nonprofit hospital and medical service organization, such as Blue Cross Blue Shield of Maine, is a charitable and benevolent institution and a public charity. The charitable purposes for which a nonprofit hospital and medical service organization holds its assets are defined to include providing access to medical care through affordable health insurance and affordable managed care products to persons of all incomes; identifying and addressing unmet health needs of the State, particularly with regard to medically uninsured and underserved populations; making services available through participating providers; and improving the quality of care for medically uninsured and underserved populations.

The law enacts provisions under the Attorney General's charitable authority outlining the charitable status of the organization in the event that a nonprofit hospital and medical service organization converts to a for-profit stock insurer or materially changes its form. In the event of a conversion or a material change in form, the law establishes a formula for determining what percentage of assets will be paid to subscribers. In any conversion or material change in form transaction, not less than 90% of the fair market value of a nonprofit hospital and medical service organization must be transferred to a charitable trust and applied for charitable purposes. The Attorney General must initiate litigation in Kennebec County Superior Court by December 31, 1997 on the issue of the designation of ownership interests and the charitable purposes of a nonprofit hospital and medical service organization. Any person may file objections to the designation, but must file within 90 days of notice of filing by the Superior Court. The Superior Court must rule on designation of ownership interests and charitable purposes and any claim of ownership in the organization.

Public Law 1997, chapter 344 prohibits a nonprofit hospital and medical service organization from converting to a mutual insurer. It provides a mechanism for conversion to a for-profit stock insurer only after a review and approval of the Superintendent of Insurance. Review of a conversion plan may not begin until the Superior Court has approved or approved with modifications the charitable trust plan or unless the Superintendent determines an earlier review is necessary. Final approval of the conversion may not occur unless the terms and conditions of the plan are fair and equitable, the plan is approved by a vote of not less than 2/3 of the organization's board of directors and the plan provides for the issuance of capital stock or assets or a combination of these, without

consideration, to the charitable trust and to subscribers, if applicable, in the amount prescribed under the established formula.

The law authorizes the establishment of for-profit affiliates by nonprofit hospital and medical service organizations with other nonprofit institutions and for-profit health care providers as long as the nonprofit hospital and medical service organization has 50% or more control of the affiliate. The for-profit ownership interests in the affiliate may not exceed 25% if held by individual physicians, individually and aggregate; or 20% if held by nonprofit and non-charitable physician-hospital organizations, individually or in combination with individual physicians. The health insurance affiliate must have corporate purposes that are consistent with and in furtherance of the charitable purposes of the nonprofit hospital and medical service organization.

Public Law 1997, chapter 344 also streamlines the process for review of premium rates for individual and Medicare supplement insurance products for nonprofit hospital and medical service organizations and for-profit insurance companies regulated by the Maine Insurance Code. If a rate filing seeks an increase of less than 1.5 times the rate of inflation for medical costs and the company has a loss ratio of 80% or greater, the burden of proof is shifted from the insurance company to the Bureau of Insurance and any party asserting that the rates are excessive to prove that the rates are excessive. The burden of proving that rates are adequate and not unfairly discriminatory remains with the insurance company or the nonprofit hospital and medical service organization. The provisions governing rate review for individual and Medicare supplement insurance policies are repealed October 1, 2001.

LD 1857

An Act to Protect Patients of Managed Care Plans

CARRIED OVER

Sponsor(s)
BROOKS

Committee Report

Amendments Adopted

LD 1857 proposes to establish a duty and standard of ordinary care that must be provided by an insurance company, health maintenance organization, preferred provider organization or a nonprofit hospital and medical service organization under a managed health care plan. It also would authorize a person enrolled in a managed health care plan to bring a legal action for damages against a carrier if the person is harmed by a carrier's failure to exercise ordinary care.

LD 1857 was carried over to the Second Regular Session.

LD 1869

An Act to Create a Universal Bank Charter

**PUBLIC 398
EMERGENCY**

Sponsor(s)
CARLETON
MURRAY

Committee Report
OTP-AM

Amendments Adopted
H-523
S-284 MURRAY

In November 1996, the Bureau of Banking formed a study group consisting of bankers, attorneys and bureau staff to study the various bank chartering options under state law. LD 1869 proposed to incorporate the recommendations of that study group in the development of a universal bank charter in the banking laws of this State by making the following changes.

Part A makes the necessary changes to definitions found in the banking laws.

Part B gives a financial institution the sole discretion to establish hours and days of operation, including remaining open for business on weekends and holidays.

Part C permits investor-owned financial institutions to be organized as corporations, limited liability companies, limited partnerships and limited liability partnerships. It also makes other changes to align the banking laws with the Maine Business Corporation Act, the Maine Revised Statutes, Title 13-A, the Maine Limited Liability Company Act and the Maine Revised Uniform Limited Partnership Act, Title 31, with respect to the corporate governance of these types of financial institutions.

Part D revises the banking laws, Title 9-B, chapter 32, to provide a greater distinction between the two types of mutual institutions: mutual savings institutions, historically mutual savings banks; and cooperative institutions, historically savings and loan associations. It expands the current residency requirement for organizers and incorporators to permit appointment of incorporators and directors that reside in the geographic area to be served by the institution and permits proxy voting at an annual meeting in accordance with provisions of the bank's bylaws.

Part E removes the requirement for approval by the Superintendent of the Bureau of Banking for most transactions to establish or relocate a branch and removes all regulatory approvals for establishment, relocation or closing of an automated teller machine. The definition of "branch" is broadened and bank management is given the sole responsibility to determine days and hours of operation and services to be provided at each office.

Parts F and G make the necessary technical changes to conversion and mergers and acquisition laws to encompass different types of investor-owned, mutual or cooperative financial institutions, permit a smooth conversion from a federal to state charter and ease regulatory burden for certain types of corporate reorganizations.

Part H makes technical changes to the laws governing bank liquidations to conform to new definitions and terminology incorporated with the different types of investor-owned and mutual or cooperative financial institutions.

Part I sets forth the powers, privileges, duties and restrictions of state-chartered financial institutions. These provisions establish broad authority for financial institutions in the areas of investment, lending and deposit-taking. It removes outdated provisions of the banking laws and preserves all charters approved under private and special acts of the Legislature or actions by the Bureau of Banking and unites all types of state-chartered financial institutions with the powers and authorities of a universal bank charter. In addition, it broadens the authority for a financial institution to engage, directly or indirectly, in closely related activities.

Part I also places restrictions on transactions between a financial institution and its affiliate that mirror federal laws in this area. In addition, it consolidates all laws governing trust activities of financial institutions into one statutory chapter, making no substantive changes to those provisions of the banking laws.

Part J enacts a new part in the banking laws that addresses specialty or limited purpose financial institutions, incorporating a provision clarifying the general purpose, authority and organization of nondepository trust companies, merchant banks and uninsured banks.

Part K makes miscellaneous changes to the banking laws to conform them to other provisions in the bill. In addition, it sets forth a procedure for preliminary review by the Bureau of Banking of an application and authority for the bureau to assess the prospective applicant a fee for that service that may be applied to the application fee if

and when an application is filed. It makes other technical changes to application processing and holding company laws and establishes an assessment fee on nondepository trust companies chartered by the State but not affiliated with another state-chartered financial institution.

Part K also repeals the outdated provisions of the banking laws that contained the powers and authorities of savings banks, savings and loan associations and trust companies that subsequently will operate with the powers of the universal bank charter.

Part L corrects cross-references.

Committee Amendment "A" (H-523) proposed to add a definition of real-estate related services, an emergency preamble and an emergency clause to the bill.

Senate Amendment "A" (S-284) was presented on behalf of the Committee on Bills in the Second Reading to correct an incorrect history and to prevent a conflict by incorporating changes made to the Maine Revised Statutes, Title 9-B, section 316 in Public Law 997, chapter 182.

Enacted law summary

Public Law 1997, chapter 398 establishes a universal bank charter for state-chartered financial institutions. It repeals provisions in the Maine Banking Code related to the powers and authorities of state-chartered savings banks, savings and loan associations and trust companies and enacts provisions that unite these types of institutions under the powers and authorities of a universal bank charter. The law provides state-chartered financial institutions with broad authority in the areas of investing, lending and deposit-taking and also broadens the authority to engage, directly or indirectly, in closely related activities. It removes the requirement for approval by the Superintendent of Banking for most transactions to establish or relocate a branch and removes all regulatory approvals for the establishment, relocation or closing of an automated teller machine. Financial institutions and bank management are also given sole discretion to establish hours and days of operation, including remaining open for business on weekends and holidays.

Public Law 1997, chapter 398 also enacts provisions clarifying the general purpose, authority and organization of specialty or limited purpose financial institutions, including nondepository trust companies, merchant banks and uninsured banks.

Public Law 1997, chapter 398 was enacted as an emergency measure effective June 5, 1997.

LD 1879

An Act Authorizing the Bureau of Insurance to Release Aggregate Ratios of Consumer Complaints to the Public

PUBLIC 314

Sponsor(s)

Committee Report

Amendments Adopted

LD 1879 was reported out by the Joint Committee on Banking and Insurance pursuant to joint order. The bill proposed to enact a portion of LD 1783, "An Act Clarifying Claims Settlement Practices," which was carried over to the Second Regular Session. This bill authorizes the Superintendent of Insurance to make public aggregate ratios of substantiated consumer complaints against insurance companies. Only those complaints determined by the Bureau of Insurance to be valid are included in the development of these ratios. The method for calculating the

ratios must be established by rule. These rules are major substantive rules and must be submitted for legislative review no later than January 1, 1998.

Enacted law summary

Public Law 1997, chapter 314 authorizes the Superintendent of Insurance to make public aggregate ratios of substantiated consumer complaints against insurance companies. The method for calculating these aggregate ratios must be established by rules to be submitted for legislative review no later than January 1, 1998.

Joint Standing Committee on Banking and Insurance

SUBJECT INDEX

Banking

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LD 159	An Act to Clarify the Parity Provision in Maine Banking Law	PUBLIC 207 EMERGENCY	Page 35
LD 548	An Act Concerning Service Relating to the Disclosure of Financial Records	PUBLIC 16	Page 40
LD 808	An Act to Amend the Laws Governing Banking Institutions	PUBLIC 22	Page 47
LD 969	An Act to Authorize the Issuance of a Credit Card to Benefit the Scholarships for Maine Fund	PUBLIC 97	Page 53
LD 1022	An Act to Promote Investments in Maine through the Establishment of Merchant Banking Organizations	PUBLIC 66 EMERGENCY	Page 57
LD 1061	An Act to Authorize State-chartered Community Development Credit Unions	PUBLIC 108	Page 60
LD 1119	An Act to Provide for International Banking in the State and Enhanced Enforcement Authority over Financial Institution Holding Companies	PUBLIC 182	Page 61
LD 1385	An Act to Promote Parity in the Regulation of Insurance Sales by Federally and State-chartered Financial Institutions	PUBLIC 315 EMERGENCY	Page 68
LD 1869	An Act to Create a Universal Bank Charter	PUBLIC 398 EMERGENCY	Page 91

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LD 486	An Act Prohibiting Financial Institutions from Charging Fees for Verification of Sufficient Funds	ONTP	Page 40
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LD 585	An Act to Protect the Confidentiality of Social Security Numbers	ONTP	Page 42
LD 602	An Act to Clarify Requirements for a Credit Union Applying to Expand Its Field of Membership	ONTP	Page 42
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LD 1530	An Act to Require Banks to Forward Copies of Mortgages to the Municipalities in Which the Property Is Located	ONTP	Page 75
LD 1619	An Act to Require Banks to Have Written or Oral Authority before Funds Are Electronically Removed from Resident Accounts	ONTP	Page 79

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Enacted

LD 666	An Act to Amend the Maine Consumer Credit Code to Permit Reverse Mortgages	PUBLIC 64 EMERGENCY	Page 43
LD 710	An Act Amending the Maine Consumer Credit Code	PUBLIC 122	Page 44
LD 745	An Act to Amend the Maine Consumer Credit Code	PUBLIC 94	Page 45
LD 843	An Act to Regulate Money Transmitters and Amend Consumer Credit Laws	PUBLIC 155	Page 49

Not Enacted

LD 1185	An Act to Prohibit the Raising of Interest Rates as a Penalty for Late Payment on Debt	ONTP	Page 64
LD 1265	An Act to Establish a Maximum Rate of Interest on Credit Card Debt	ONTP	Page 66
LD 1491	An Act to Reduce Interest and Charges on Improvident Extensions of Consumer Credit	ONTP	Page 73

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Enacted

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LD 350	Resolve, to Establish a Task Force to Study the Feasibility of a Single Claims Processing System for 3rd-party Payors of Health Care Benefits	RESOLVE 63 EMERGENCY	Page 38
LD 546	An Act to Ensure Responsible Coordination of Medical Care under Managed Care	PUBLIC 163	Page 40
LD 561	An Act to Provide the Maine Turnpike Authority with Representation on the State Employee Health Commission	PUBLIC 77 EMERGENCY	Page 41
LD 806	An Act to Include Health Maintenance Organizations in the Bureau of Insurance's Regulatory Assessment	PUBLIC 79	Page 46
LD 822	An Act to Grant Visually Impaired Operators of Government Vending Facilities Access to State Health Insurance at Their Own Expense	PUBLIC 80	Page 48
LD 1082	An Act to Ensure Fair Pricing for Consumers of Health Care Services under Managed Care Plans	PUBLIC 197	Page 60
LD 1190	Resolve, Regarding Legislative Review of Chapter 840: Private Purchasing Alliances, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance	RESOLVE 14 EMERGENCY	Page 64
LD 1191	Resolve, Regarding Legislative Review of Chapter 850, Health Plan Accountability, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance	RESOLVE 13 EMERGENCY	Page 64
LD 1500	An Act to Increase Access to and Affordability of Mental Health Services	PUBLIC 174	Page 73
LD 1521	An Act to Amend the Laws Concerning Health Insurance	PUBLIC 370	Page 74
LD 1556	An Act to Establish Breast Cancer Patient Protection	PUBLIC 408	Page 76

LD 1808	An Act to Make Maine Health Insurance Laws Consistent with Federal Laws	PUBLIC 445 EMERGENCY	Page 87
LD 1849	An Act to Clarify the Charitable Status of Nonprofit Hospital and Medical Service Organizations, to Permit Their Creation of Health Insurance Affiliates and Their Conversion to Stock Insurers and to Ensure Regulatory Equity	PUBLIC 344	Page 89
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LD 307	An Act to Allow Self-referral for Obstetrical Care in Managed Care Plans	CARRIED OVER	Page 37
LD 360	An Act to Amend the Process of Competitive Bidding for Insurance by School Boards	ONTP	Page 39
LD 477	An Act to Require that Health Insurance Benefits for School District Employees Be Subject to the Mandatory Bid Process	ONTP	Page 39
LD 676	An Act to Make Health Care More Affordable to Small Businesses	ONTP	Page 44
LD 681	An Act to Increase Access to Affordable Health Insurance for Citizens of Maine	ONTP	Page 44
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LD 785	An Act to Require Certain Practices by Managed Care Plans	ONTP	Page 46
LD 828	An Act to Require Public Insurers to Supply Insurance Data to Schools and Municipalities	ONTP	Page 48
LD 839	An Act to Ensure Reasonable Access to Emergency Medical Services	ONTP	Page 49
LD 911	An Act to Define the Diagnosis of Pregnancy for the Purposes of Insurance Coverage	ONTP	Page 52
LD 1000	An Act to Ensure Choice of Physicians in Managed Care Programs	ONTP	Page 57
LD 1016	An Act to Amend the Laws Pertaining to Infant Formulas	ONTP	Page 57

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LD 1206	An Act to Ensure Patient Choice and Access to Health Care by Offering a Point-of-service Plan	ONTP	Page 65
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LD 1566	An Act to Require Blue Cross and Blue Shield of Maine to Report Annually to the Legislature Regarding the Fulfillment of Its Charitable Mission	ONTP	Page 78
LD 1568	An Act to Amend the Board of Directors of Nonprofit Hospital or Medical Service Organizations	ONTP	Page 79
LD 1625	An Act to Create an Independent Ombudsman for Consumer Protection in Managed Care	ONTP	Page 79
LD 1642	Resolve, to Require the Superintendent of Insurance to Develop Criteria for an Independent Fairness Review Prior to Conversion of a Non-profit Entity to a For-profit Entity	ONTP	Page 83
LD 1664	An Act to Require Bids from Health Care Providers for State Employees to Include Medicaid Coverage	ONTP	Page 595
LD 1738	An Act to Include Nontraditional Medical Alternatives under Health Maintenance Organization and Medicaid Coverage and to Allow the Patient to Choose the Method of Treatment	ONTP	Page 83

LD 1741	An Act to Establish the Maine Single-payor Health Care Plan and to Restructure the State Tax System	ONTP	Page 84
LD 1754	An Act Regarding Hospital Charges for Physicians Not Participating in Health Maintenance Organizations	ONTP	Page 84
LD 1775	An Act to Promote Access to Health Care	ONTP	Page 85
LD 1848	An Act to Create the Managed Care Ombudsman Program	CARRIED OVER	Page 88
LD 1857	An Act to Protect Patients of Managed Care Plans	CARRIED OVER	Page 91

Insurance, Motor Vehicles

Enacted

None

Not Enacted

LD 112	An Act to Aid Enforcement of the Laws Regarding Mandatory Insurance for Motor Vehicles	ONTP	Page 35
LD 622	An Act to Deter Automobile Owners from Canceling their Insurance and to Require Notification of Cancellation	ONTP	Page 42
LD 668	An Act to Amend the Laws Pertaining to Motor Vehicle Financial Responsibility and Insurance	ONTP	Page 43
LD 836	An Act Concerning the Lapse of Automobile Insurance	ONTP	Page 49
LD 1374	An Act to Increase Mandatory Auto Insurance Limits	ONTP	Page 67
LD 1417	An Act to Prohibit Certain Accidents from Being Used by Insurers to Increase Insurance Premiums	ONTP	Page 71

Insurance, Regulation and Practices

Enacted

LD 335	An Act to Prohibit Certain Activities by Insurance Adjusters	PUBLIC 86	Page 37
LD 806	An Act to Include Health Maintenance Organizations in the Bureau of Insurance's Regulatory Assessment	PUBLIC 79	Page 46
LD 933	Resolve, to Establish a Commission to Study Insurance Fraud	RESOLVE 77 EMERGENCY	Page 52
LD 980	An Act to Amend Provisions Applicable to Property Casualty Insurers and Reporting Requirements to the Bureau of Insurance	PUBLIC 126	Page 54
LD 1052	Resolve, Establishing a Task Force to Examine the Desirability of a Model Municipal Building Code	RESOLVE 24	Page 58
LD 1103	An Act to Apply Risk-based Capital Standards to Insurers	PUBLIC 81	Page 61
LD 1132	An Act to Amend the Continuing Care Retirement Community Laws	PUBLIC 478	Page 63
LD 1190	Resolve, Regarding Legislative Review of Chapter 840: Private Purchasing Alliances, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance	RESOLVE 14 EMERGENCY	Page 64
LD 1191	Resolve, Regarding Legislative Review of Chapter 850, Health Plan Accountability, a Major Substantive Rule of the Department of Professional and Financial Regulation, Bureau of Insurance	RESOLVE 13 EMERGENCY	Page 64
LD 1349	An Act to Reduce Insurance Premiums by Discouraging Insurance Fraud	PUBLIC 341	Page 66
LD 1385	An Act to Promote Parity in the Regulation of Insurance Sales by Federally and State-chartered Financial Institutions	PUBLIC 315 EMERGENCY	Page 68
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LD 1640	An Act to Streamline Licensing and Reporting Requirements and Reduce Regulatory Burdens for Licensed Insurance Professionals and Insurers	PUBLIC 457 EMERGENCY	Page 80
LD 1787	An Act to Authorize Captive Insurance Companies	PUBLIC 435	Page 86
LD 1879*	An Act Authorizing the Bureau of Insurance to Release Aggregate Ratios of Consumer Complaints to the Public	PUBLIC 314	Page 93
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LD 552	An Act to Prohibit Rebates and Other Incentives Pertaining to Insurance Claims	ONTP	Page 41
LD 716	An Act to Require Certain Information on Insurance Bills	ONTP	Page 45
LD 889	An Act to Ensure Fair Claims Settlement Practices	CARRIED OVER	Page 51
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LD 922	An Act to Require Disclosure to Consumers about the Availability of Private Insurance Adjusters	ONTP	Page 52
LD 1040	An Act Directing the Bureau of Insurance to Develop Standards of Conduct for Insurance Adjusters	ONTP	Page 58
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LD 1210	An Act to Prohibit Insurance Companies from Denying Health Care Coverage Based on DNA Tests	ONTP	Page 65
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LD 1470	An Act to Lower Property Taxes by Requiring School Boards to Purchase Certain Insurance from the State	ONTP	Page 72
LD 1540	An Act to Establish a State Disaster Relief Trust Fund	CARRIED OVER	Page 76
LD 1566	An Act to Require Blue Cross and Blue Shield of Maine to Report Annually to the Legislature Regarding the Fulfillment of Its Charitable Mission	ONTP	Page 78
LD 1568	An Act to Amend the Board of Directors of Nonprofit Hospital or Medical Service Organizations	ONTP	Page 79
LD 1642	Resolve, to Require the Superintendent of Insurance to Develop Criteria for an Independent Fairness Review Prior to Conversion of a Non-profit Entity to a For-profit Entity	ONTP	Page 83
LD 1783	An Act to Clarify the Laws Concerning Claims Settlement Practices	CARRIED OVER	Page 85

Securities

Enacted

LD 981	An Act to Amend the Revised Maine Securities Act	PUBLIC 168	Page 55
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Not Enacted

None

*Introduced without reference to committee.

